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High Court Agrees To Rule on Naming Nixon a Conspirator

By Warren Weaver Jr.

WASHINGTON, June 16 (NYT)—The Supreme Court agreed yesterday to decide whether a Watergate grand jury had the right to name President Nixon as a participant in the conspiracy to cover up the 1972 political burglary without indicting him for a crime.

The court, in effect, made the White House's challenge to the grand jury's action a part of the dispute between the President and Leon Jaworski, the special Watergate prosecutor, over access to tapes recording the President's conversations.

As the same time, the justices refused to unseal the record of the tapes case as it unfolded in closed sessions before U.S. District Judge John Sirica, except for a single sentence officially reporting the first time the accusation that the grand jurors unanimously voted at Mr. Nixon. That sentence read:

"On Feb. 25, 1974, in the course of its consideration of the indictment in the instant case, the June 5, 1972, grand jury, by a vote of 19 to 0, determined that there is probable cause to believe that Richard M. Nixon (among others) was a member of the conspiracy to defraud the United States and to obstruct justice charged in Count I of the instant indictment, and the grand jury authorized the special prosecutor to identify Richard M. Nixon (among others) as an unindicted co-conspirator in connection with subsequent legal proceedings in this case."

Taps' Stand Of Kissinger Given Support

By Ruckelshaus, Former Key Prober

By Bernard Gwertzman

WASHINGTON, June 16 (NYT)—William Ruckelshaus, former director of the FBI, expressed support today for Secretary of State Henry Kissinger's contention that he was not responsible for launching the wiretaps that were put on 13 government officials and four newsmen between 1969 and 1971.

Speaking on the Columbia Broadcasting System's "Face the Nation" television program, Mr. Ruckelshaus said that Mr. Kissinger's role in the controversial wiretap program, "as best as I've been able to determine, is pretty much as he's described it."

Mr. Ruckelshaus, who also served as deputy attorney general, conducted an investigation last year of the wiretapping and had access to all the FBI documents on the case.

Mr. Kissinger threatened last week to resign unless his reputation was cleared by the Senate Foreign Relations Committee of any allegations that he had received the committee last fall in describing his role in the wiretapping. He has insisted that he merely stopped names to the FBI for wiretapping and did not originate the program.

Reports in Press

Press reports in recent weeks, citing Justice Department sources, indicated that the possible impeachment of President Nixon, said that FBI reports in 1969 asserted that Mr. Kissinger had asked for wiretaps in certain individuals.

On the surface, the FBI documents seemed to contradict Mr. Kissinger's testimony to the Senate Foreign Relations Committee last September when he said, Continued on Page 3, Col. 1)

Rubens Work Is Defaced by Initials 'IRA'

LONDON, June 16 (NYT)—The three "IRA" 3 feet high, were discovered scratched across Rubens' "Adoration of the Magi," one of the world's great paintings, at King's College Chapel, Cambridge, yesterday.

Intruders forced open a medieval oak coffin in which two place offerings, and stole some coins. As police were investigating the break-in, a tourist potted the defacement of the painting, which stands at the east end of the chapel.

The dean of the chapel, the Rev. Michael Till, said, the scratches appeared to have been made by a coin across the center of the big canvas, which is 6 feet wide and 10 feet high. "Although the marks do not break the pigment, the surface has been broken and it will be an expensive job to repair," the dean said.

The painting was given to King's College in 1680 by Maj. Ulfrid Alnatt, an industrialist, who bought it two years earlier or the then record sum in this country of \$770,000.

It was painted in oils on wood in 1634 by Rubens as an altarpiece for a convent at Louvain in Belgium. Experts consider it to be an outstanding example of the artist's genius.

College authorities said that they were keeping an open mind about the perpetrators and did not assume that the defacement had anything to do with the troubles in Ireland, although the IRA initials are those of the Irish Republican Army.



President Nixon inspecting an air force honor guard at the Tel Aviv Ben Gurion Airport yesterday.

U.S. and Syria Agree on Resumption of Ties

DAMASCUS, June 16 (AP)—

President Nixon and Syria's President Hafez al-Assad agreed today to the resumption of diplomatic relations between this country and the United States, ties broken off during the 1967 Arab-Israeli war.

The announcement was made just before the U.S. chief executive ended his visit here and left for Israel, the fourth stop on his Middle East tour.

Mr. Nixon's arrival in Syria yesterday had been marked by a minor incident—a misunderstanding that involved an escort of Soviet-built Syrian jet fighters.

Four MIGs approached the American leader's Boeing 707 and split off, two on each wing. Unsettled that the Syrians had planned an escort, Mr. Nixon's pilot, Col. Ralph D. Albertazzi, put the presidential plane into several sharp turns.

Ronald Ziegler, Mr. Nixon's press secretary, told newsmen later that the evasive maneuvers were designed to give Col. Albertazzi time to confirm with the Damascus airport tower that the jets were, in fact, escorts.

Another Swoop

Syrian Air Force jets later swooped over the airport as Mr. Nixon arrived to an official greeting. Security was heavy throughout Damascus for the American President's 24-hour stay. There were no welcome banners in the streets, but American flags flew at several places.

A ceremony to raise the Stars and Stripes was postponed at the last moment today. A U.S. official at the American interests section of the Syrian Embassy said that the Syrian Foreign Ministry had requested its delay so that there could be a more formal observance tomorrow morning.

The accord on resuming Syrian-U.S. diplomatic ties, an agreement that had been expected since Secretary of State Henry Kissinger's successful negotiation of the Israeli-Syrian troop disengagement, was reached during private talks by the two Presidents.

"We look forward now to an expansion of contacts and co-operation," Mr. Nixon said later as he stood smiling beside Gen. Assad on the steps of the Syrian presidential palace.

Gen. Assad commented: "We are determined to start a new phase in our relations—based on (Continued on Page 2, Col. 6)



WARM WELCOME—President Nixon shaking hands with young member of a girls' auxiliary military group, to the delight of her fellow members, as he landed in Syria on Saturday. The girls were later scolded by leaders for losing their poise during his presence.

Cabinet Changes Expected

Spinola Backed on Curbing Liberty

By Miguel Acoca

LISBON, June 16 (WP)—President Antonio de Spínola has won the backing of the armed forces movement to curb the freedom of the press and of assembly which has reigned here since the military coup ended Portugal's dictatorship April 25, sources said.

The 64-year-old general summoned the movement's political committee to meet him Thursday at a secret session during which he threatened to resign unless he was permitted to enact regulations to stop the extreme left from subverting the movement's program in the media and in street rallies, the sources said.

A majority of the committee, which two weeks ago had polled

at least 500 movement captains and majors, agreed to postpone some of the more idealistic planks of the movement's program," the sources said.

They explained that Gen. Spínola's recent violent speeches attacking "traitors" and those who would "burn the land" in order to destroy what the movement has wrought were aimed at "Maoists" and "Trotskyites" in the media, and at radical leftist street rallies calling for immediate independence of the colonies.

A Spínola aide asserted that "the press regulation will be very tough." He declined to elaborate. These regulations reportedly were debated Friday by the civilian provisional cabinet, in a session which lasted well into the night.

Movement sources said that while extreme left organizations were small, they wielded "tremendous power" in newspapers and television.

"They must be curbed because most of the people of Portugal will get the wrong idea of our revolution," a source said. "The Portuguese are politically uneducated and they have a very low cultural level after 50 years of dictatorship."

The source went on to liken a majority of the Portuguese to the people of Portuguese Guinea, the African colony. He said that the general's recent speeches "were very much like those he delivered in Guinea."

Recent days it has become evident that Gen. Spínola has sought to broaden his power base by appealing directly to the Portuguese people, who are said to be largely conservative. His speeches have been emotional, and not once has he addressed himself to such issues as the colonial war, the economy, the weakness of the political parties or inflation.

There were reports that Gen. Spínola was also displeased with some of his civilian cabinet ministers who have sought to enact

the military movement's program to lay the foundation for a democracy and to reach cease-fire agreement with African guerrillas in Angola, Mozambique and Guinea.

Sources said that it was possible that there would be some cabinet changes in the near future. Paradoxically, the two Communists in the cabinet—Minister without portfolio Alvaro Cunhal and Labor Minister Avellino Pacheco Gonçalves—appeared to have won the general's confidence for their efforts to curtail labor strikes. The only major labor strike was at Timex, the subsidiary of the U.S. watchmaker, where the workers (Continued on Page 2, Col. 6)

Brezhnev Voices Optimism

On Summit Talks With Nixon

MOSCOW, June 16 (AP)—Soviet leader Leonid Brezhnev declared today that he was optimistic about his summit meetings later this month here with President Nixon despite pessimism expressed, especially among certain people in the United States.

Speaking to newsmen after casting his vote in a Supreme Soviet (parliament) election, he also stated that he expected the summit meeting to produce "new agreements" between the superpowers.

Mr. Brezhnev did not elaborate but said, "I think we will please the people of the United States and our country."

"I am optimistic and am expecting good new agreements with Mr. Nixon in spite of the pessimism that has been sown in some layers of the population and especially in the United States," he added.

Mr. Nixon is scheduled to arrive here June 27. Mr. Brezhnev said today that his third summit meeting with the President would

Nixon Affirms Backing of U.S. On Israel Visit

By Carroll Kilpatrick

JERUSALEM, June 16 (WP)—President Nixon assured Israel that his travels in Arab lands and his offer of nuclear technology to Egypt have not weakened America's support for Israel.

After flying here from Damascus, Mr. Nixon said that the United States has stood with Israel in times of trouble and is now proud to work with Israel "in better times."

The purpose of his meetings with Israel's "traditional adversaries" and his forthcoming trip to Moscow, Mr. Nixon said at a colorful welcoming ceremony at Ben Gurion Airport outside Tel Aviv, is peace in the Mideast and in all the world.

Later, at a state dinner in the Knesset, he said that under no circumstances should his travels in Arab countries lead anyone to conclude that America's friendship and support of Israel is any less.

America's support of Israel was strong before he became President and will be strong "in the next administration whatever the outcome of the election may be," he said.

Israel's new government can follow one of two courses, Mr. Nixon said. Either stand firm for the status quo or adopt a bolder course—"the way of statesmanship"—and recognize "that continuous war in this area cannot be a solution to Israel's survival."

A large and friendly crowd greeted Mr. Nixon as he drove with President Ephraim Katsir and Premier Yitzhak Rabin the 32 miles from Tel Aviv to Jerusalem.

Observers here said that the crowd, while no match for the hundreds of thousands who greeted Mr. Nixon in Egypt, was nevertheless larger and more demonstrative than expected. One estimate put the crowd at more than 100,000.

After arriving in Jerusalem, White House Press Secretary Ronald Ziegler announced that Secretary of State Henry Kissinger had told Israeli Foreign Minister Yigal Allon that the promise of nuclear aid to Egypt was "exclusively to assist in the economic development of Egypt and thereby provide incentive for the peaceful evolution of the area."

When Mr. Nixon's plane landed here, President Katsir welcomed him "with a very warm shalom." "Blessed are you who come in the name of peace," he said. "Your visit to our country is an occasion of joy as well as of great significance for us."

Mr. Nixon said it was "a very great moment" for him to be the first American President to visit Israel.

It was announced today that Mr. Kissinger will leave the Nixon tour tomorrow so he can reach Ottawa in time for the meeting of foreign ministers of the North Atlantic Treaty Organization.

Work to Start in 1975

CAIRO, June 16 (UPI)—Egypt will begin work next year on its first nuclear power station in cooperation with the United States, the newspaper Al Ahram said today.

The \$250-million station will be operative in 1981, the newspaper said. Construction work on another nuclear station, including two units for the desalination of sea water, will begin in 1977 and end in 1983, the newspaper said.

The second station may be built in El Arish, the largest town in Sinai, and now under Israeli occupation. The newspaper indicated that it would have been "liberated" by then.

The expectation was that the main burden of carrying out the safeguards would fall on the International Atomic Energy Agency, the semi-autonomous United Nations agency that has assumed in recent years the primary responsibility of monitoring the peaceful development of atomic energy. But State Department officials said the United States also would insist on special bilateral controls to give added assurance against the diversion of any fissionable materials into military use.

For example, according to information supplied to the Joint Congressional Committee on Atomic Energy, the United States will have a veto power over how Egypt processes, stores and re- (Continued on Page 2, Col. 7)

Australia Reports French A-Test

CANBERRA, Australia, June 17 (Monday), (UPI)—Prime Minister Gough Whitlam said today that Australia had reason to believe that France exploded a nuclear weapon in the atmosphere above Mururoa Atoll in the Pacific Ocean earlier today.

"The Australian government has reason to believe that France exploded a nuclear weapon device in the atmosphere over Mururoa Atoll this morning," Mr. Whitlam said.

"That test is likely to lead to deposits of radioactive fallout within Australian territory," he said.

Mr. Whitlam did not indicate what evidence he had for the report.

France recently announced it was resuming nuclear testing in the area and the last of five French warships arrived at the atoll earlier today to prevent other vessels from entering the danger zone.

Sardinian Election Expected To Influence Coalition in Italy

ROME, June 16 (AP).—Sardinians voted today for a regional assembly—state legislature—in an election the outcome of which is expected to influence the future of Italy's Catholic-Socialist coalition government. Voting will continue tomorrow.

The islanders went to the polls as Italy's current political crisis lingered on and what was once

called "il boom" economy was in its worst slump since World War II.

The coalition cabinet of Christian Democratic Premier Mariano Rumor, Italy's 36th government in 30 years, resigned last Monday in a sharp split with its coalition partners, the Socialists, on how to revive the sinking economy.

But President Giovanni Leone rejected the government's resignation and asked Mr. Rumor to try to resurrect the old governing alliance.

Mr. Rumor and other party leaders then decided to await the outcome of the Sardinian regional election before formal reconciliation talks.

A poor showing by the dominant Christian Democrats on Sardinia would strengthen the hand of the Socialists and harden their attitude.

They favor extensive state spending to spur employment while the Christian Democrats have been advocating austerity measures—higher taxes and tighter credit.

The Italian Communist party, Europe's largest, also counted on success on the island, the birthplace of the party secretary-general, Enrico Berlinguer. In the last election for the state assembly, the Communists obtained 19 percent of the vote and increased their standing to 25 percent in the general election two years ago.

The Communist party, if it scored further gains, was expected to press its claim for a larger voice in the national government. Nearly one million voters are eligible to vote for 76 state legislators.

Shortly before the voting, the government announced that consumer prices rose more than 15 percent in a year and that the rate of inflation so far this year was running at 20 percent.

3 Killed in Blast On Oil Platform

NEW ORLEANS, June 16 (AP).—Three men were killed and four men were missing yesterday after an explosion and flash fire aboard an offshore oil and gas platform in the Gulf of Mexico, officials said.

A spokesman for Chevron Oil Co. said 12 men were on the company's platform near the mouth of the Mississippi when the blast occurred. Chevron search craft recovered one body about eight hours after the explosion and to others today.

Seven workers either jumped or were blown into the water, the spokesman said. Five others were taken to hospitals by company helicopters.



London police trying to separate leftist and rightist groups yesterday.

Leftists and Police Clash

1 Dead, 45 Hurt, 54 Held in London Riot

LONDON, June 16 (UPI).—Leftists blamed police today for this city's worst rioting in six years—disturbances in which a student died and at least 45 persons were injured—but the police said that the fighting had been prearranged by the group.

Kevin Gately, 21, collapsed and died at Red Lion Square, where hundreds of police, some on horseback, battled leftist demonstrators who tried to break up a rightist group's protest against amnesty for illegal immigrants.

A spokesman for University College Hospital said that an autopsy performed on Mr. Gately proved "inconclusive" in determining whether he died as a result of injuries in the clashes or whether death was from natural causes. The hospital said that further tests would be performed.

John Randall, president of the National Union of Students, said that mounted police had charged demonstrators and used undue force. He said he would ask that Home Secretary Roy Jenkins set up an inquiry into alleged police brutality, including the circumstances of Mr. Gately's death.

"There is no doubt who is to blame," a police spokesman retorted. The spokesman, Deputy Assistant Commissioner John Gerard, went on:

"The left-wing group were told they could hold a meeting in the north side of the square. 'A shout went up, obviously a prearranged signal, and then the violence started.' The police had moved in be-

tween the 1,000-member leftist group known as Liberation, formerly called the Movement for Colonial Freedom, and about 750 members of the rightist National Front.

Demonstrators from Liberation began throwing smoke bombs and tried to break through the police barrier, reporters said, and about 25 mounted policemen moved into them. A woman was trampled, the reporters added.

Injured women and men began running away, the newsmen reported. They said that some demonstrators were removed from the area in ambulances and others were arrested.

Nationalization Issue Disrupts A Calm in Britain's Politics

By Terry Robards

LONDON, June 16 (NYT).—A bitter squabble involving leading figures in the government and private industry has interrupted Britain's leisurely journey into summer, just as the country was growing accustomed to a surprisingly peaceful hiatus between national elections.

Name-calling, sharp confrontations in the House of Commons and an apparent policy rift within Prime Minister Harold Wilson's Labor party administration have focused public attention once more on a highly charged issue—the nationalization of British industry.

Steel, coal, the railways, the airlines and electricity supply are already under government control. But a key element in the Labor party's policy manifesto is extensive additional nationalization—perhaps going as far as the 100 largest companies in the nation.

The left wing of the Labor party is pressing for more government take-overs. Moderates in the party recognize that Britain's economic health at the moment is hardly robust and that further nationalization might best be put off. Conservative politicians and industry leaders fear that any more government ownership will mean the end of British capitalism.

Issue Has an Impact
The debate probably will not be resolved for some time, but its sudden appearance as a major public issue has already begun to have an impact. Business leaders, already beset with uncertainties over the economic outlook, are becoming less inclined to make capital investments in industries that might be subject to government take-over.

The controversy erupted when Anthony Wedgwood Benn, the industry minister, released a "green paper" outlining Labor's proposals for nationalization and government participation in private industry.

Green papers do not have the force of legislative proposals but

do indicate the direction policy will take. Normally, matters of potentially great political impact are announced by the prime minister. But here was a document from a key member of Mr. Wilson's cabinet that seemed to enunciate policy. Among other things, it discussed setting up a national enterprise board to extend state ownership of industry.

Leading industrialists immediately challenged Mr. Benn, but he responded with allegations that private industry had failed to make capital investments at a proper rate.

"The plain truth," he declared, "is that half the private key manufacturing sector is controlled by a few big firms which either do not invest enough or give adequate attention to the quality of their investment, despite large subsidies from the taxpayer and the nationalized industries. By contrast, the public sector is systematically reinvesting and re-equipping. It is a tried and tested system."

Mr. Wilson was said to be embarrassed by Mr. Benn's vigorous pursuit of the nationalization issue at a time when the Labor government lacks the working majority it needs in Parliament to push through any controversial measures. Moreover, other economic problems—such as the trade deficit—are considered more pressing.

Then it emerged that the prime minister personally had taken over the chairmanship of the Cabinet Committee on Public Enterprise, which seemed to indicate that caution would prevail.

Charge by Heath
But Edward Heath, the former prime minister and now opposition leader in the House of Commons, charged that Mr. Wilson's chairmanship was merely a "cover-up."

He referred to the industry minister as "Communist Benn" and suggested that Mr. Benn's ministry had become known as the "Gosplan department." Gosplan is the Russian abbreviation for the State Planning Committee for the Economy.

Ralph Batesman, the new president of the Confederation of British Industry, an organization representing most major British companies, joined the attack.

"The British people must realize that plans like these paint a picture of Britain that few people would recognize," Mr. Batesman said. "We are drifting like a sleepwalker toward an economic system in the United Kingdom not unlike that favored by East-European Communist states where, paradoxically, you find that the ordinary worker and his trade union have no power at all and little freedom of choice. We must wake up and open our eyes."

Tory politicians have seized on the nationalization debate as potentially the most important issue when the next election is called, possibly next fall.

Toll Rises to Eight In Brescia Bombing

BRESCIA, Italy, June 16 (UPI).—Vittorio Zambardo, wounded in the explosion of a bomb at an anti-Fascist rally here May 28, died in a hospital this morning. The death of Mr. Zambardo, an old-age pensioner, brought the toll of those killed by the blast to eight. Six victims died in the explosion. The seventh died in a hospital June 1.

In Two Presidents' Talks in Damascus

U.S., Syria Agree on Resumption of Ties

(Continued from Page 1)
mutual interests." He was thought to be referring to cultural and economic ties, as well as diplomatic relations.

The two leaders' appearance together, cordially and repeatedly shaking hands for news photographers on a hot June afternoon, would have been regarded as impossible last winter. Then, in the aftermath of October's fourth Arab-Israeli war, Syria was denouncing the United States as "the imperialist protector" of Israel.

Syrian sources said that the improved relations with Washington will not lead to a cooling of this country's friendship with the Soviet Union, as was the case for Egypt after that nation's cease-fire and troop disengagement was negotiated with Israel by the U.S. secretary of state. President Assad seemed to stress such a steadfast relationship with Moscow in recent public statements. "Syria wants to make friends with all," he said. "The widening Syrian horizon does not mean a change in Soviet-Syrian relations."

The Syrian public's first reaction to the U.S.-Syrian detente appeared favorable, particularly after wide publicity was given remarks by Mr. Nixon at a state dinner last night.

The American leader told President Assad at the dinner, "Of course we understand your concern . . . about such vital matters as the Palestinian question . . . [and] borders." He added that the United States "is now directly involved" in efforts for a peaceful settlement of these problems.

This was the first time that Mr. Nixon had expressed concern about the Palestinians in the course of the five days he had spent thus far on his Middle East tour.

The Syrians say that, if there is to be peace in the Middle East, a closer association or even friendship with Washington is requisite. Mr. Kissinger has told the U.S. Congress that \$100 million in American aid has been promised Damascus.

Saudi King Backs Him

DAMASCUS, June 16 (NYT).—President Nixon's one-day stopover in Saudi Arabia was, as expected, mostly ceremonial, but, as he was leaving there yesterday, King Faisal, in a public statement, gave what could be interpreted as an endorsement to American people to let up on domestic criticism of the Presi-

dent over his Watergate troubles. King Faisal appealed to Americans to back Mr. Nixon in his efforts to improve relations with the Arab nations. The two leaders exchanged remarks outside the royal palace, where Mr. Nixon and his party had been guests overnight, in Jiddah.

"What is very important," Faisal said, "is that our friends in the United States and America be themselves wise enough to stand behind you, to rally around you, Mr. President, in your noble effort, almost unprecedented in the history of mankind. The effort aimed at securing peace and justice in the world."

Mr. Nixon said that his talks with the Saudi monarch were "constructive and far-reaching, covering problems in the whole world."

As expected, no new agreement was initiated came out of the trip to Saudi Arabia. Both leaders appeared to use the occasion to demonstrate friendship, assure a continued supply of oil for the United States and military aid for the Saudis.

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U.S., UN Controls to Survey Egyptian Nuclear Operation

(Continued from Page 1)
fabricates the plutonium produced in the reactors, and Egypt has given commitments to establish special protective measures against sabotage of fissionable materials.

On the basis of an AEC briefing, Rep. Melvin Price of Illinois, a senior Democrat on the congressional committee, also reported that Egypt has given a commitment that some of the fissionable materials would be used for peaceful nuclear explosions.

The United States now has cooperative atomic agreements with 35 countries, including Israel. In some cases, the assistance is limited to research, but with 25 countries the United States has cooperative agreements on the development of atomic power, such as it is now proposing to extend to Egypt and Israel.

Under an Atomic-for-Peace agreement, dating back to 1955, the United States in 1961 provided Israel with a small, five-megawatt research reactor at Nahalboron, the Israeli Nuclear Research Center. Controls over the use of the reactor were exercised first by the United States and then the responsibility was transferred to the UN agency.

Similarly, the Soviet Union, which has had a far less exten-

sive program of international cooperation than the United States, provided Egypt with a small, two-megawatt research reactor in 1960. As far as is known, neither Soviet nor international controls were exercised over the reactor, but U.S. officials said the reactor has operated so infrequently that it could not have produced significant amounts of plutonium for possible use in a bomb.

The general appraisal of American officials is that Israel is far ahead of Egypt both in nuclear technology as well as in supply of fissionable materials that could be used to fabricate weapons. Under conditions of strict secrecy, Israel in the late 1950s obtained from France a reactor of a type particularly suited for producing plutonium. The reactor situated at Dimona is not subject to any known international safeguards and is believed capable of producing enough plutonium for a few atomic weapons a year.

Now, almost in parallel, Israel and Egypt want to take the relatively big technological step of building large reactors capable of producing substantial amounts of electricity.

State Department officials said the initial plan was to provide Egypt with a relatively large reactor capable of generating 600 megawatts of electricity. A similar offer is expected to be extended to Israel.

The basic technology involved in designing and operating an atomic power plant is much the same as that required for fabricating an atomic bomb. The once secret technology of bombs, however, is now widely known.

The key is in obtaining the fissionable materials—either highly enriched uranium or plutonium—for making bombs. It is at this point that international controls enter the picture.

Atomic reactors generally use uranium fuel with relatively low enrichment of Uranium-235. The uranium fuel to be supplied Egypt, for example, will have less than 10 percent of Uranium-235. Weapons require uranium enriched to 90 percent and more with Uranium-235.

Nuclear fuels, therefore, generally do not present a control problem. Rather, the possibility of diversion arises later as the fuel is burned. As a reactor operates, some of the uranium is transformed in the chain reaction into plutonium, which is a fissionable material that can be used to make bombs.

Safeguards systems, therefore, concentrate on controlling the plutonium, both in the reactor and in the chemical separation plants which are required to isolate the plutonium from the uranium fuel. Officials note that it was the absence of international safeguards that permitted India to explode its first nuclear device in March.

UN headquarters in Damascus confirmed the return of the Syrians to the territory where the Israelis made their deepest penetration in the war eight months ago. Under the agreement, the next partial Israeli withdrawal should be completed by Tuesday, a headquarters spokesman said.

The UN command has reported repeatedly that disengagement has been carried out smoothly since the process began on June 6.

To the west of the territory that Israel is relinquishing, a UN buffer zone is to be created, separating the land Israel is giving back and the Syrian territory taken in the 1967 war.

Both sides are to thin out the number of troops and heavy military equipment in areas bordering the buffer zone. According to the UN, both sides are also complying with this aspect of the agreement.

Chad Regime Orders Ouster of West Germans
BONN, June 16 (Reuters).—The Chad government, which has broken diplomatic relations with Bonn, order all West Germans to leave the country, a Foreign Ministry spokesman said here.

Between 25 and 40 West Germans, including 19 aid workers, were affected, the spokesman said Friday. The West German ambassador and seven embassy staff members have left already.

Chad severed diplomatic ties with Germany to protest Bonn's compliance with demands made by rebel tribesmen who kidnapped a West German doctor and two French citizens April 21.

Development Aid Minister Erhard Eppler told a press conference that West Germany paid the rebels two million marks (\$800,000) for the release of the German doctor, Christoph Stawen, a relative of retiring President Gustav Heinemann.

The two French hostages, Françoise Claustre and Marc Combes, were still held. Dr. Stawen is returning to West Germany through Libya.

4 Killed in Switzerland
BUCHS, Switzerland, June 15 (Reuters).—Four persons were killed when the Belgrade-Zurich express train hit a car at a grade crossing near here Friday.

KGB Chief Honored
MOSCOW, June 16 (AP).—Yuri Andropov, 60, chief of the Soviet State Security Committee (KGB), has been named a Hero of Socialist Labor and given his third Order of Lenin.

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Ask New Trial or Dismissal of Charges

Seven Watergate Burglars File Appeals

By Anthony Ripley

WASHINGTON, June 16 (NYT).—Lawyers for the seven men indicted for burglarizing Democratic national headquarters at 1000 Pennsylvania Avenue, N.E., filed appeals for new trials or dismissal of charges.

"We are asking you to find out if there is such a stench attached to this case that it has to be thrown out," William Ohlhausen contended Friday in court of James McCord Jr.

Mr. Ohlhausen and Bernard Fensterwald argued for McCord, who was found guilty by a jury at his trial last week, that his former lawyer, that testimony had been perjured, that McCord had been withheld or strayed, that McCord had been victim of selective prosecution and that Judge John Sirica had committed many errors.

Mr. Fensterwald told the court that the "integrity of the whole judicial system" was at stake and that repeated instances of what he called a "massive obstruction of justice."



James McCord talking to newsmen.

In rebuttal, Sidney Glazer of the special Watergate prosecutor's staff said that, from the outset of the trial, he (McCord) could have come forward, but that he had "decided to remain quiet during the trial."

Kissinger Stand on Wiretaps Supported by Key Ex-Prober

(Continued from Page 1)

confirmation hearings, as he had not initiated the wiretapping but had only consented with a presidential directive to provide names of those who might have had access to that information.

The Foreign Relations Committee, after several days of open closed hearings, including testimony by Mr. Ruckelshaus, an attorney general, said last week that it had found nothing to bar Mr. Kissinger's confirmation as secretary of state.

At Mr. Kissinger's request, the Foreign Relations Committee began a new study to see if perjured himself last September it received all the FBI wiretap documents last Friday.

Discrepancy Question
Mr. Ruckelshaus, who had studied all the FBI documents in action, was asked today about apparent discrepancies between reports, which said that Mr. Kissinger had initiated some of the wiretaps, and Mr. Kissinger's contention that he had not.

On the basis of your knowledge of this, would you give Mr. Kissinger the exoneration that is now asking?" Mr. Ruckelshaus was asked.

"I think I would," he replied, "don't think that the controversy really is as sharp between the FBI and Mr. Kissinger as the records and his statements make appear."

"And I think his role, as best as we can determine, is pretty much as he's described it," he said.

Mr. Ruckelshaus said that Mr. Kissinger had complained to President Nixon in 1969 about what he called "a very disturbing" to him in his conduct of the foreign policy.

As a result of this complaint, Mr. Ruckelshaus said, Mr. Nixon, together with the attorney general, decided to launch an investigation of the FBI. J. Edgar Hoover, decided on a program to tap individuals who had access to the information.

Held in N.Y.C.
In robberies of
Crime Figures

NEW YORK, June 16 (NYT).—The announced yesterday that the rest of three men, who they said were leaders of a 40-man gang ring allegedly connected with organized crime, "family" from other crime families. The police said the three men had been arrested as they prepared to rob the house of a city official, whom they would not identify. A police said the attempted robbery apparently represented a risk in the organization's pattern of preying only on organized crime families which are called "hite" because the robberies were reported to the police. After a six-week investigation, a spokesman said, the police had that about 40 persons were involved in the burglary, which for the last year had been accepted work from a me-family "capo," or captain, rob the homes of loan sharks, smokers, narcotics dealers and other crime figures.

Mr. Glazer pointed out that McCord had been captured inside the Democratic office and said that there could have been no justification for entering the office or for installing electronic listening devices there.

Peter Margulis, lawyer for Gordon Liddy, another of the seven convicted men, entered his arguments on alleged errors by Judge Sirica and Earl Silbert, the U.S. attorney who prosecuted the case.

He cited Judge Sirica's action in reading to the jury the contents of a private conference before the bench. He said the conference had included Liddy's statement, following the burglary, that "my boys got caught last night." Instead, he argued, a witness should have been called to make the disclosure.

Mr. Margulis said Mr. Silbert had seemed to imply to the jury that Liddy's arranging for a lawyer to represent the five men arrested in the Democratic offices was part of a conspiracy. He also said the prosecution had brought out that Liddy had said he lost his job because of his refusal to talk about the break-in with FBI agents.

Mr. Glazer called these "minor points" and "harmless errors." The five other men appealing their convictions all pleaded guilty and then asked that their pleas be set aside in light of subsequent developments. Their lawyers argued that they had been on official government business—or at least were convinced that their role was official—and thus were "entrapped."

Howard Hunt Jr., his lawyer said, had been "acting on the behalf of the White House." J. Donald Schmitt, the lawyer for the four other men who pleaded guilty—Bernard Barker, Eugenio Martinez, Virgilio Gonzalez and Frank Sturgis—said they had been "sub-agents" for the Central Intelligence Agency for more than 10 years and that Hunt was "supervising agent in charge of the Bay of Pigs."

In such a situation, Mr. Schmitt argued, the men had no reason to believe that their venture was anything more than government service.

Escaped Kidnapper Is Caught in U.S.

WASHINGTON, June 16 (AP).—James Jones, one of the FBI's 10 most-wanted fugitives, was arrested yesterday in Coral Gables, Fla.

Jones, 40, was serving a life sentence for kidnapping when he escaped last October from a jail in Virginia.

Jones was arrested by an off-duty police officer who spotted him in a restaurant.

Americans Also Feel Less Well Off

WASHINGTON, June 16 (NYT).—During the last two years, isolationist opinion in the United States has more than doubled, to a new high since World War II, and in the same period internationalist views have dropped 15 percent, a survey shows.

The survey was planned, financed and analyzed by Potomac Associates, Inc., a nonprofit organization supported by foundations and other private sources. The poll was done by the Gallup organization. Its conclusion was that "there has been a pronounced tendency to turn inward" because of the effect of the American experience in Vietnam on beliefs in "U.S. predominance in power" and, more importantly, because of the preoccupation with domestic problems.

And in a separate Gallup survey, Americans characterize themselves and their country as worse off today and with less hope for the future than in previous polls.

The poll of international attitudes was taken between Jan. 18 and 21, sampling 1,592 adults, and the other, on "hopes and fears," was conducted between April 20 and 28 and sampled 1,806 persons.

The poll on international views showed that "total isolationists" increased from 9 percent of a sample polled in 1972 to 21 percent of those interviewed this year. On the other hand, "total internationalists" declined from 50 percent in 1972 to 41 percent in 1974.

The dark views of those polled for their "hopes and fears" were interpreted as "indicating a profound sense of disillusionment, even despondency, over Watergate and economic conditions."



ON MY HONOR—I will do my best to do my duty... recited U.S. Vice-President Gerald Ford as he took Boy Scout oath with other Scouts at Chicago lunch-o-ree. He said those words of oath were an important principle for America.

As Senate Committee Chairman

Sparkman to Back Nixon's Foreign Policy

By Leslie H. Gelb

WASHINGTON, June 16 (NYT).—Sen. John Sparkman, D-Ala., who is scheduled to be the next chairman of the Senate Foreign Relations Committee, said his job will be to support presidential policy and follow the majority will of committee members.

"It is the constitutional duty of the President," the senator said in an interview, "to direct the foreign relations and Congress has not a great deal to do with activating foreign policy."

Sen. Sparkman, 75, born to a poor farm family, and a fixture

in the Senate since 1946, will succeed the outgoing committee chairman, Sen. William Fulbright, who was recently defeated in an Arkansas Democratic primary by Gov. Dale Bumpers.

Man Without Enemies
Sen. Sparkman is a man without enemies on Capitol Hill and in the administration. He is highly regarded for his geniality and intelligence. But the reaction of his colleagues to his accession is decidedly mixed.

Conservatives do not hide their pleasure. As one said, "We're finally getting rid of Fulbright."

Liberals express benign indifference. "It's just another step in the decline of the committee and its take-over by the administration," a senator said.

Back in 1952, liberals felt differently about Sen. Sparkman, then their vice-presidential candidate with Gov. Adlai Stevenson of Illinois.

But as time passed, some of his colleagues recalled, Sen. Sparkman moved more and more toward the congressional homily of Speaker Sam Rayburn—"to get along, so long."

This became Sen. Sparkman's guideline as chairman of the Senate Banking and Currency Committee and on the Foreign Relations Committee.

Sen. Sparkman has no record of taking stands independent of any administration, a number of

his colleagues asserted. Asked about this, the senator disagreed and cited his stance on the War Powers Bill of 1973.

Asked for another example, Sen. Sparkman related this story:

"Back in 1969, the administration wanted to renew our base agreement with Spain. Fulbright argued strongly that this should be done by treaty. The administration 'asked' an executive agreement. I favored a treaty also."

"So I look it upon myself to go to Secretary of State (William) Rogers. I said to him, 'Do you have any real reason why this can't be done by treaty?' He told me in this case it would be difficult to negotiate a treaty—something to do with supporting Spain in Africa or Gibraltar. So I said 'All right, if not treaty this time, then next time.'"

Still tall, erect and pudgy-cheeked, Sen. Sparkman explained his philosophy of politics: "You have to sit down with one another, talk things over, reason together."

Wants Consultations
The senator said he agreed with the foreign policy of the Nixon administration. But he wants consultations—"like Sen. Arthur Vandenberg said, 'If I'm going to be in on the crash, I want to be in on the takeoff.'"

Asked how, as chairman, he would handle disagreements with the administration, he said that he opposed conflict, "but if a majority of the committee wants open conflict, that's the way it'll be."

He added, however, that he was displeased with the committee's setting itself in public opposition to presidents on Vietnam.

Sen. Vandenberg and John Foster Dulles, secretary of state under President Eisenhower, were the names most mentioned by Sen. Sparkman. He said he admired Sen. Vandenberg for his bipartisan approach to foreign policy and Mr. Dulles for his consultations with the committee.

Sen. Sparkman is unlikely to play Sen. Fulbright's gadfly role in foreign affairs. After 23 years on the committee, no foreign affairs legislation bears his name. Observers say he often seems to be sleeping at committee meetings.

Center-Left Rule
Of Luxembourg
Opens Tomorrow

LUXEMBOURG, June 16 (Reuters).—The new center-left government is reported ready to take over on Tuesday, bringing to an end 55 years of conservative Christian Democratic rule.

Liberal leader Gaston Thorn was appointed to the premier's post by Grand Duke Jean yesterday, after successful coalition negotiations between the Liberals and the Socialists following the May 34 elections.

During more than two weeks of talks, the two parties had agreed on main policy lines and on composition of an 11-man cabinet.

Mr. Thorn will be foreign minister and minister of sport as well as premier. Socialist leader Raymond Vloeberghs will be deputy premier, minister of finance and budget, and minister for territorial management.

The Liberals and Socialists hold 31 seats in the 59-man assembly.

Isolationist Areas
The composition of the isolationist grouping was reflected throughout the population, but most advanced in rural areas and small communities, the Midwest and West, and the young.

The decline in internationalism in people under 30 years of age was striking. It went from 71 percent in 1964, to 42 percent in 1974, a decrease of 29 percent.

In the "hopes-and-fears" survey the respondents were asked to grade themselves on a 1-to-10 scale, with 1 representing their worst fears, 10 representing their highest hopes. They were asked to indicate where they stood on the scale at present, where they stood five years ago and where they expected to stand five years from now. They were also asked to rate their hopes and fears for the nation in the same way.

As of April, the pollsters said, the average American saw himself as having declined from 6.4 five years ago to 4.8 today, and as expecting to be at 5.8 five years hence.

Ehrlichman Said to Subpoena President, Kissinger and Haig

By Seymour M. Hersh

WASHINGTON, June 16 (NYT).—John Ehrlichman has subpoenaed President Nixon, Secretary of State Henry Kissinger and Gen. Alexander Haig Jr., the White House chief of staff, as defense witnesses in the "plumbers" trial scheduled to begin June 26, well-informed sources say.

They report that the subpoenas were served about 10 days ago on Fred Buzhardt Jr., the White House counsel, who accepted them on behalf of the three officials.

Mr. Nixon, Mr. Kissinger and Gen. Haig will be asked to testify in behalf of the President's chief domestic adviser, about the national security concerns in the White House that led to the formation of the special investigations unit known as the "plumbers," the sources said.

Key Ruling in 1967
The Constitution and a court ruling in 1967 by Chief Justice John Marshall have made it clear that a president can be subpoenaed to testify in a criminal case, although none ever has been.

Reliable sources said that there was no legal reason why Mr. Kissinger and Gen. Haig would not be required to testify in person at Mr. Ehrlichman's trial, barring successful attempts by their attorneys to quash the subpoenas.

If the secretary of state does testify, his appearance could provide an immediate test of his repeated denials that he knew of the "plumbers" before their involvement in the 1971 burglary was made public last spring.

In an affidavit prepared two months ago, Mr. Ehrlichman said that Mr. Kissinger had objected to the assignment of David Young Jr., then an aide to Mr. Kissinger, to the "plumbers."

Mr. Ehrlichman said that the dispute had been personally resolved by the President at a high-level staff meeting.

Possible Way Out
The judge in the "plumbers" case, Gerhard Gesell of District Court here, is reliably reported to be considering the acceptance of written answers from the President, in lieu of his appearance in the case.

Judge Gesell also could rule that the subpoena was not relevant to Mr. Ehrlichman's defense, and quash it.

At a news conference on March 15, the President was asked whether he would consider testifying in behalf of his former subordinates. He replied:

"I believe that for the President of the United States to appear in a court of law, any court of law, for the purpose of testifying, would be setting a precedent that would be most unfortunate."

At a news conference three weeks earlier, he said that he would be willing to respond to any "interrogatories" written questions—that Leon Jaworski, the special prosecutor, might want to submit.

Source Is Impressed
It could not be learned what specific information would be sought from the President by Mr. Ehrlichman and his defense team, headed by William Frates. But one closely involved source, when told about the subpoenas, described the three officials "as really legitimate witnesses."

In March, Mr. Ehrlichman and the three other defendants in the case—Gordon Liddy, Bernard Barker and Eugenio Martinez—were indicted for allegedly conspiring to burglarize in 1971 the

office of Daniel Ellsberg's former psychiatrist. At the time, the men were involved with the "plumbers," a special investigation unit authorized by President Nixon in July, 1971, and ordered to stop leaks to newspapers.

The "plumbers" first assignment was an investigation of Mr. Ellsberg, who has said that he provided newspapers with copies of the Pentagon Papers, a top-secret history of the Vietnam war that The New York Times began publishing on June 13, 1971.

Rules for Defense
In a previous ruling in the case, Judge Gesell said that "national security" could not be used as a legal defense for the break-in. But he also held that the defendants could present factual material that would "reflect upon the underlying questions of intent" behind the burglary.

Mr. Ehrlichman has denied authorizing the burglary, although he has acknowledged approving a covert mission against Mr. Ellsberg.

Under the judge's ruling, Mr. Ehrlichman could attempt to show that he was involved in a number of meetings and decisions with the "plumbers" on matters not related to Mr. Ellsberg. Thus, he theoretically would be able to attempt to raise doubt in the jurors' minds about what he thought he was authorizing when he approved the Ellsberg mission.

Mr. Nixon, in a speech May 22, 1973, assumed responsibility for the action of the "plumbers" and added that he had told the group "that as a matter of first priority, the unit should find out all it could about Mr. Ellsberg's associates and his motives." But Mr. Nixon has denied knowing of the break-in at the office of Dr. Lewis Fielding, Mr. Ellsberg's former psychiatrist.

Buzhardt Out 2 Months
WASHINGTON, June 16 (NYT).—Mr. Buzhardt, 50, has suffered a heart attack and will be out of action for at least two months, the White House has said. Mr. Buzhardt is expected to remain hospitalized for about three weeks, then go home to recuperate for four to six weeks more.

Fireman's Parade Starts With Alarm
SCOTTSDALE, Pa., June 16 (UPI).—Visiting fire companies were lining up for a parade as a highlight of the Westmoreland County Firemen's Convention yesterday when an alarm sounded.

A dozen companies broke ranks and raced to the burning First Methodist Church in this community. But the building was destroyed for an estimated loss of \$250,000.

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Italy in Peril

Italy now unwillingly illustrates, in a highly aggravated and dangerous form, the dilemma of the industrial nations. In varying degrees it confronts all of them, including ours. Most of the developed countries are now living beyond their means. During the 1950s and 1960s, the decades of spectacular economic growth, standards of living rose steadily. Since 1970, growth has turned spotty and uncertain. But living standards have continued to rise with an airy disregard by governments for the hard arithmetic of making ends meet.

A good deal of that spectacular growth has been based on ready access to cheap Arab oil. The quadrupling of oil prices last year did not cause the present roaring inflation throughout the industrial world, but it certainly made that inflation worse. Italy is, again, the extreme example. Oil generates 80 percent of Italy's primary energy (compared, for example, with 40 percent in the United States), and nearly all of Italy's oil supply is imported (compared with only one-third in the United States). Italy's largest privately-owned company is Fiat, which has been beset by the same troubles as all the other automobile manufacturers throughout the world.

As for government, it is the Italian inclination to get along with as little of it as possible. The Fascist episode discredited the whole idea of politics, and of strong leadership, in ways from which it has never recovered. In the late 1940s the Italians turned government over to a small, self-perpetuating directorate of politicians while the rest of the country set about the much more interesting business of making money and working toward a better living. There is an interesting parallel here with Japan. But the difference between the two cases is that in Japan, to curb their staggering rate of inflation, even the present rather unpopular government has the effective power to impose a ferocious credit squeeze and maintain it until it works. That is what the Italian government could not bring itself to do last week, and that is why it fell.

The fall of a government in Italy is a regular event which, in the past, has usually signified nothing more than the routine and dignified redistribution of offices among the same familiar people. This crisis gives dismaying evidence of being fundamentally different, and infinitely more serious. Now it is suddenly a matter of making decisions that will directly and immediately affect the way people live, and earn their livelihoods. Italian cabinets are not customarily built to carry loads of that magnitude, and it remains to be seen whether a stronger cabinet can even now be constructed. The conservatives want to invoke a credit squeeze like the Japanese, but tight credit in a fragile economy like Italy's means serious

unemployment. The left bitterly opposes the idea. The president of Italy has tried to prop the fallen government back up by refusing to accept the cabinet's resignations, but the tactic is unconvincing. Like the prospect of new international loans secured by Italy's gold reserves, it is a device to postpone the hard choices.

Oil is by no means Italy's only source of trade deficits. Through the decades of prosperity the southern peasants moved into the northern cities in a great tide, and the country has come to depend less on its own high-cost, low-productivity agriculture. Demand for food from abroad continues to soar. So far the government has managed to postpone the day of reckoning. It has propped up the exchange rate of the Italian lira with huge foreign loans. But now the foreign lenders are getting apprehensive. They are beginning to say that there will be new loans only when an Italian government at last begins to impose a realistic policy of economic restraint at home. But there is no policy at the moment, and not much government. One obvious possibility is a massive devaluation of the lira. But once again the solution to the international question only makes trouble at home. Devaluation means a sharp drop in the standard of living and, with the rising costs of industrial raw materials, higher unemployment as well. Italy's trade deficit this year is expected to be in the range of \$8.5 billion. (By comparison, the worst trade deficit in U.S. history was \$6.9 billion in 1972, a deficit that the administration here considered a catastrophe requiring drastic action.) No conventional rearrangement of cabinets is going to rescue the Italian economy from its present peril. It requires a kind of leadership that lies altogether outside the country's political tradition and practice.

The Italian peninsula is a long bridge. One end lies in democratic, industrial Western Europe. The other lies deep in the very different world of the Mediterranean—a world of ancient but poor countries following a political path that has led most of them to authoritarian governments under military officers. Italian history has been largely formed by the play of these two worlds against each other. The country now appears to be coming to a true crisis. Italy, like the other industrial countries, will work desperately to protect its new prosperity against an altogether unforeseen turn in the world's economy. But the character of the struggle tends to divide the country rather than, as in Japan, to pull it together. For Americans, it will be necessary to remember that, although Italy is far more vulnerable than we, the questions raised by its massive deficits and inflation are rapidly forcing themselves upon us as well.

THE WASHINGTON POST.

Realism on World Money

"I accept the universe," said the American transcendentalist Margaret Fuller, and Thomas Carlyle observed, "By God, she'd better!"

Like Miss Fuller, the 20 finance ministers who met in Washington last week to negotiate world monetary reform have accepted the reality of the international monetary system as it has evolved since the Bretton Woods system collapsed on Aug. 15, 1971, when the United States slammed shut its gold window, ending the convertibility of the dollar. After two devaluations, the dollar is now floating—and, with it, so are all the other currencies of the world.

The agreements worked out by the Committee of 20 of the International Monetary Fund faced up to the reality that floating exchange rates will prevail for the indefinite future. The ministers laid out "guidelines for floating" which would encourage nations to let market forces bring about equilibrium among exchange rates. They correctly noted that the market may often be "more realistic than any official view."

This is not to say that the finance ministers have said a final farewell to their hopes of coming back to a fixed-rate system. They still regard their basic objective as a return to "stable but adjustable" rates. However, they apparently understand that rigid exchange rates caused the Bretton Woods system to break down, helped bring about massive U.S. payments deficits and dollar outflows, and thereby served to propagate world inflation—and that in the current inflationary state of the world, fixed rates

would only invite intense speculation and bring on another breakdown.

The United States also faced up to reality in agreeing to "reconsider" its opposition to a link between future issuance of Special Drawing Rights and the new international reserve money, and aid to the developing nations. The poorer countries insisted on this link as a condition for their acceptance of the general agreement.

The SDRs will no longer be tied to the now obsolete official price of gold at \$35 an ounce but to a "basket" of the 16 most important currencies. Setting a 5 percent interest payment on SDRs should help to make this new form of reserves both more attractive to lenders and more useful as a means of settling international accounts.

The United States, when earlier had been cool to the proposal of the IMF's managing director, H. Johannes Witterstein, for an "oil facility" to help countries with oil or poor, that are thrown into deep deficit or mounting oil bills, has now accepted this proposal as well as an additional fund to make long-term loans to poor countries. These steps represent timely recognition of the dangers flowing from the skyrocketing of fuel, food and other commodity prices to the hardest hit countries.

The question remains whether adequate funds will be made available by these countries in turn to help meet the acute needs of those in deficit. By God, as Carlyle said, "they'd better."

THE NEW YORK TIMES.

International Opinion

U.S. A-Aid for Egypt

We have always held that friendship with Israel and the Arab states is not mutually exclusive, yet it came as a severe shock to learn that the U.S. signed an agreement for

nuclear cooperation with Egypt. One more element of danger to a world that has been irrationally divided into two camps is now added.

By Joseph Kras

In the International Edition

Seventy-Five Years Ago

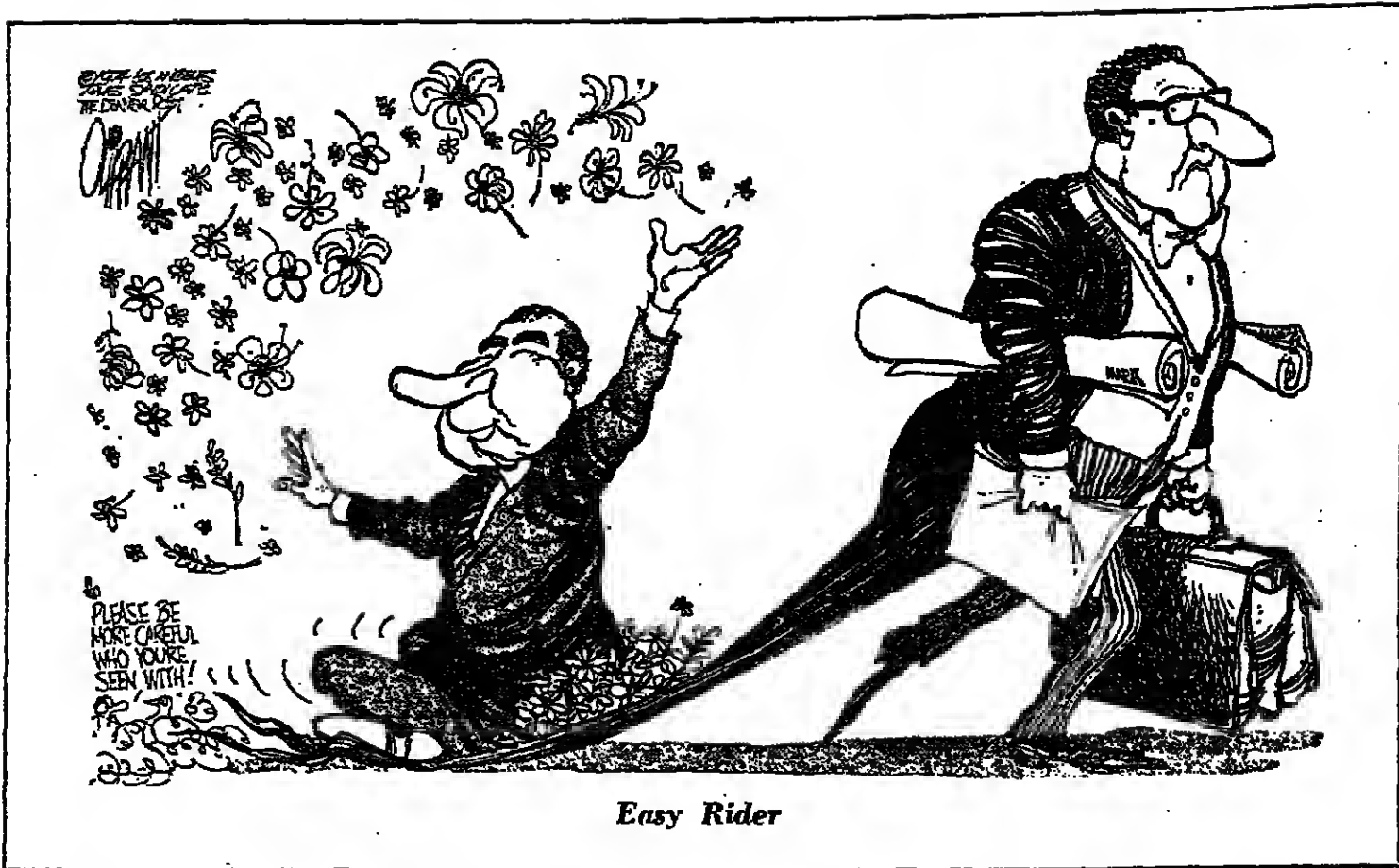
June 17, 1899

PARIS—The Fourth of July will be celebrated in Paris this year, as in former years, by a banquet given by the American Chamber of Commerce at the Grand Hotel. General Benjamin Harrison, former President of the United States, and the present United States Ambassador General Horace Porter, have accepted invitations to be present and deliver speeches. Many other very prominent American and French officials will be there.

Fifty Years Ago

June 17, 1924

LONDON—The anniversary of the signing of the Anglo-American trade agreement in 1924 is being celebrated in the British Empire. A number of public functions are being held in London and other parts of the Empire. The British government is holding a reception for the American delegation at the Foreign Office. The American delegation is led by Secretary of State Charles E. Hughes. The British government is also holding a reception for the Japanese delegation at the Foreign Office. The Japanese delegation is led by Foreign Minister Kato Tani.



Easy Rider

Richard Nixon's Revenge—Via Satellite

By James Reston

NEW YORK—In his struggle for political survival, it is ironic that President Nixon has relied on the institutions he hates the most—press, radio and television—to save him from the slow but damaging disclosures of the Congress and the courts.

In a way this has been his revenge on his tormentors. He cannot command the law, but he can dominate the news. He can go to the Pyramids and the ancient biblical lands, and the reporters and cameras will go with him and send it all back by satellite to lead the evening television news.

No matter what the commentators or columnists may say, the picture is the thing. Franklin Roosevelt understood the technique even before the days of television. Give me the front pages, he said, and I don't care what they say inside.

This is especially true in the present contest over what is to be done about Nixon. On the whole, the legal and political processes go on either in closed chambers or in the executive sessions of the House Judiciary Committee. Reporters are allowed to attend some sessions, and illustrators are permitted to give their impressions of the central characters, but so far no cameras have been permitted to record the scenes.

The President's situation is quite different. He performs before some of the most colorful landscapes in the world. It is understood in advance that he will offer economic aid and even nuclear technology to Egypt, and once it is offered there, it will almost certainly have to be offered to other countries. This raises some fundamental questions, but that is a different story. In any event, the judicial and political processes are slow and often obscure, while the President's actions are swift and almost perfect for television. The great plans, sweeping into the ancient cities, the honor guards in their spectacular uniforms, the ceremonial booming of the guns, and the bands, and the joyful reaction of the multitudes responding in their long-delayed hope for peace and a little better standard of life.

Made for TV

This is all made for television and is certainly more exciting to the producer of TV news shows than fleeing shots of lawyers coming out of closed rooms into crowded corridors and going over some complicated point of law; and there is, of course, much more traveling for Nixon to come. This week the President's flying press room will move on to the Holy Land, with probably a stop back in Europe before returning to Washington for a few days and then on to Moscow via Brussels.

The inference of all this on the public mind is not unimportant. The members of the House Judiciary Committee do not admit that they are under public pressure to get off the President's back while he is "negotiating peace." But they see the television themselves and hear from the people about it, and they are now flying low and waiting.

The Democratic leaders of the House and Senate are also watching the television and the press. They say they are doing business as usual carrying on the impeachment process as if the President were at Camp David, but this is not quite true.

They are waiting, watching and delaying. They deny it, but they have agreed not to do anything dramatic against the President while he is out of the country.

Moving On

After Moscow, of course, if he chooses, the President can find good reasons to go to Europe and confer with the new leaders of Britain, Germany and France about the monetary, economic and political problems of the world—all very serious—or go on to Japan for the equally important discussion of U.S.-Japanese relations.

So the White House strategy is now fairly clear. It is to raise as many objections to full disclosure as possible both in the courts and Congress. It will yield and com-

promise on selected documents under conditions specified by the President's counsel as late as possible, but just short of leaving the President in contempt of court or in defiance of the Supreme Court.

This last point, however, is not yet clear. Nixon may yet defy not only the special prosecutor, Mr. Jaworski, but the orders of the courts, meanwhile gaining time and adding to the public confusion over the intricate arguments of who has "standing" and what constitutes an "impeachable offense."

'Active, Effective'

The other part of the strategy takes place across the world. What substance there is to these final communiques in the various capitals has, of course, been largely worked out before the President even leaves the United

States; but these communiques serve to deny charges that the President has been paralyzed by Watergate, and to demonstrate instead that he is "active and effective" in negotiating peace, and is enthusiastically received abroad wherever he goes.

There are certain dangers in this. He is now traveling in a very volatile part of the world, where people for years have been told that the wars and other miseries of their lives have largely been caused by Washington's support of Israel. Also, while Nixon is counting on President Sadat and King Faisal to help preserve the recently negotiated cease-fire on the Syrian-Israeli border, he has not yet come to the really critical questions of borders and the future of Jerusalem and he does not see the people who have the most to complain about.

For example, he has very little to offer in order to remove the savage grievances of the Palestinian and other guerrilla leaders, who have been responsible for some of the bloodiest incidents in that region.

Nevertheless, the process of peace has been started in the Middle East and it adds to the President's record of achievement in China and the Soviet Union. The war goes on in Vietnam at vast continuing cost to the United States, but it is no longer on the television and so it is largely forgotten.

In short, the television world is indeed the world most people see and hear, and it is the great new force of national and world politics. This is Nixon's revenge on the scribblers. They need him for the news he makes so brilliantly, and he needs them for the world stage they provide.

Least Said, Soonest Mended

By C. L. Sulzberger

NEW YORK—The real issue raised by Secretary Kissinger's threat to resign was that of U.S. national security. What means, it is inferentially asked, can justifiably be used to insure that state secrets are not leaked at the expense of the nation's safety or at the risk of embarrassing relations with allies or negotiations with foreign governments?

This is not the best of all worlds and considerably less pleasant and more dangerous than some 50 years ago. It is a world of dangerous devices that can burn up the planet's surface or probe the innermost thoughts of its inhabitants. But there is no way of returning to the agreeable horse-and-buggy era.

Therefore, it is naive to criticize Kissinger for associating himself with moves to check security leaks by electronic bugging and claim a predecessor like Charles Evans Hughes would never have dreamed of doing so. Apart from the fact that wiretapping was still in its foetal stage when Hughes was secretary (1921-1925) this kind of speculation is about as helpful as supposition on how Robert E. Lee might have deployed tactical nuclear weapons.

Wiretapping is an unpleasant facet of contemporary life and far less prevalent in democratic countries than dictatorships. But it can be an effective way of safeguarding security. And although we don't like to talk about it, it has for decades been the custom in the United States,

Britain, France and other open societies.

Some years ago, at a Paris dinner party, the head of French security told me with an amused look that my telephone wires were bugged, both home and office. I wasn't angry but sympathized with the staff forced to listen regularly to my wife's tri-lingual conversations in a musical mixture of English, French and Greek.

Certain hotel suites in Washington, London and Paris are generally assumed to be tapped because they are so often assigned to important foreign visitors. Of course, in capitals like Moscow or Warsaw, even the most innocent traveler expects this. Embassies are often under electronic surveillance. Ambassador Henry Cabot Lodge once waved a well-bugged American seal from our Moscow embassy before the UN assembly.

There is moralistic revulsion against these practices. Americans are familiar with the objections that dropped up here as a fall-out of the Watergate affair. In France, also, there is an effort to get away from bugging. On May 29 President Valéry Giscard d'Estaing announced he would do away with wiretapping and destroy accumulated tapes.

A system of listening-in, called les tables d'écoute, had long been installed in Paris, based in that grand old building of Louis XIV, the Invalides. Theoretically no one could be tapped without specific authority from the prime minister; in fact the program was operated pretty well on its own

by an interdepartmental group including police, military, espionage and security services.

I personally think it highly improbable that Giscard will be able to eliminate the system although perhaps he can restrict its employment. That, one may hope, will also be one consequence in the United States of the present bugging furor.

Not Ignoble

But, that Kissinger and other officials of the executive branch, especially those concerned with foreign and defense policies, should have been disturbed by leaks of secret information that could jeopardize our relations abroad, is neither startling nor ignoble.

The pleasant Wilsonian assumption that open covenants should be openly arrived at is plain daydreaming. The United States seeks open covenants secretly arrived at and I think this is so effective a method of negotiating. The other fellow wouldn't negotiate if all his moves were publicized as they occurred. Not all nations dream our moralistic dreams.

Kissinger, I believe, was mistaken to react so headedly and quickly to your press questioning after his astonishing true-making between Syria and Israel. Moreover, he was mistaken to react in Salzgub. It is sound practice for American officials to limit their comments on current U.S. affairs when they are out of the country. The secretary was obviously fatigued by his endeavors for peace, and fatigue is not always a sage counselor.

Yet the essential question raised is not something out of a primitive morality play. Kissinger would be remiss in his duties if he did not attempt to clamp down on leaks endangering the United States or its search for international détente—through the SALT talks with Russia. In the instance of the leaks and buggings now being questioned.

One can only thank the country's lucky star that sufficient senators of open mind and good judgment, wise enough to acknowledge the secretary's remarkable talent, have already rallied to grant him their confidence. Now, the less the incident is belabored, except in the due and proper course of legislative investigation requested by Kissinger, the better. Least said, soonest mended.

JOSEPH JOFFE.

Munich.

Hat Tricksters

Miracle-makers, unlike magicians, can perform battles hot people like Mr. C.L. Sulzberger who mix their metaphors (Herald, June 1-2) or write pieces like the one about the Lebanese press (Herald, May 4-5) evidently need a hat to talk through. After casting his hat, Mr. Sulzberger may want the money which he is proposing to spend on buying a superstitious hat for Dr. Kissinger to buy a replacement for himself.

FARID SHUKRALLAH.

Beirut.

Students a Uncertain In America

By Joseph Kras

WASHINGTON—At one time this year (can students are far interesting than the subject study. The main social have lost their way and in certain condition announce condition of the country.

The case of economics most dramatic. Not very economists were basking they had solved the prob the business cycle. For without recession was in si

Now inflation has replaced recession as Public Enemy. A handful of economists around Milton Friedman at University of Chicago still to believe they can stay on by resisting money. But even they admit the amount of restriction would probably bring on a ston of about 18 months. In words, the cure they reco is worse than the disease.

Less pretentious economists know their trouble, never been any good at pre price rises," Arthur Okun former Yale professor and man of the Council of Economic Advisers who now is at Brookings Institution, said one day. "We just don't stand inflation very well, something missing."

Pocketbook You

The political scientists very much the same has dominating school of inquiry involved the study, center the Survey Research Center, the University of Michigan, voting behavior and participation. The recurrent their findings has been Americans vote their pocket, and do not pay any attention ideology. It supposedly that the basic voter drives American political to the middle of the road.

That credo, however, has badly negated by two experiments. There was the victory of Goldwater and the loss of his seat in the White House in 1964. There was the victory of George McGovern the daisy liberals at the crack convention in 1972.

The very focus of stu political science, moreover, to be disintegrating. Military economic studies tended to concentrate on the problem of taining demand and employment as the subject matter of lean political science has the political party. But after election shows that commitment is becoming increasingly tenuous. Most are now accept David Broder's sight that "the party is over."

In sociology the basic has been the upward mobility of Americans. Leading social have argued that social wealth and status tend to traditional social conflicts, the emphasis by professor as Daniel Bell and S.M. of Harvard on "consensus" ideology.

But the racial battles past few years combined with revolt of the students to the epitaph for consensus ideology. More recent studies by Christopher Jencks, James man and Daniel P. Moynihan suggest that we don't know much about motivation, certainly not clear that all have want to move up the ladder nor the upward mobility has a mellowing effect on

Ordinarily a Spi

Ordinarily the visible cot of the intellectual world, the theories would be a spur to men on the way up. Perhaps now a young Keynes is gathering his forces for organization of another theory. But the academic I have talked to in around the United States is doubtful.

Realistic causes seem sort the interest of scholars far more than a the frontiers of knowledge. In many disciplines women are the case. In women figures in economics is a school of young radicals determined to show that the lean economy rewards the of the rich rather than the sons of ability.

I do not mean to these egalitarian interests. I think much can be done with the emphasis to scholarly achievement. But the uncertainty degree of our edge, now and probably to come, ought to be noted. It suggests to me the class of 1974 enters the our basic condition in while not apocalyptic, is promising either.

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GOP Reform Unit Proposes Broadening Base of the Party

By Lou Cannon

ST. LOUIS, June 16 (UPI)—A Republican reform group yesterday hammered out a proposal that would require "positive action" by all GOP state organizations to make the party more representative of the American people.

Leaders of the party had urged the group to put the GOP unequivocally on the side of reform. "As Republicans, we have long proclaimed that we are the party of the open door," Missouri's governor, Christopher Bond, said.

"This is the time we ought to do something to prove it."

Gov. Bond spoke at a meeting of the Rule 39 Committee, the official GOP reform body which is named for the number of the party rule creating it.

The full committee was scheduled to hear today from five subcommittees on proposals for reforms in party procedures, organizations, the selection of convention delegates and the selection of the nominee for vice president.

The most controversial issue here has proven to be the question of what steps the party should take without imposing a quota system to increase the participation of women, young people and minority groups.

Day of Debate

Yesterday, a day of subcommittee debate produced a proposal that would require "positive action" committees in each state to prepare a plan for broadening the base of the party.

Such state units would be something new within the GOP. They would be required to be "broadly representative of the population" and would include persons from outside the party leadership.

Furthermore, the Republican National Committee would be required to create a subcommittee that would "review and comment" on the plans of such state units.

Another Woe Found for the Mother-to-Be

TORONTO, June 16 (UPI)—

There is something about pregnant women that attracts mosquitoes, according to an Ontario biologist.

Russel Wright, an environmental biologist at the University of Guelph, 80 miles north of Toronto, said in an interview here that mosquitoes "seem to prefer biting pregnant women."

Science, he said, cannot explain this phenomenon, but "it's probably due to a hormonal cause."

Protestants Meet in Ulster, May Make Overture to IRA

BELFAST, June 16 (UPI)—

Leaders of hard-line Protestant groups in Northern Ireland gathered today for a political meeting during the next three days which could lead to talks with the Irish Republican Army.

The meeting drew together leaders of the Ulster Workers Council, whose province-wide strike last month brought down the moderate Catholic-Protestant Northern Ireland executive, and the paramilitary Ulster Volunteer Force, Ulster Defense Association, Red Hand and B-Specials Association.

UDA sources said the group was in favor of talks with both the Provisional and Official wings of the IRA.

With their new-found political power as a result of the strike which ended the first attempt in 54 years to give the one-third Roman Catholic minority a voice in government, the Protestants may feel that they are in a

position to give the IRA a take-it-or-leave-it peace proposal.

Nearly five years of violence in Northern Ireland has claimed 1,065 lives.

Yesterday, the police and British troops sealed Belfast's Roman Catholic ghettos in a bid to halt a renewed bomb campaign by the Provisional wing of the IRA, security sources said.

Security officials ordered more than 300 men deployed around the Catholic Falls Road, Ardoyne and Markets districts to halt the movement of explosives and weapons into target areas, the sources said.

British Army troops shot and killed a man during a search for weapons caches near Renduff, 32 miles southwest of Belfast, yesterday, an army spokesman said.

Villagers said the Roman Catholic victim, John Cunningham, 33, was retarded and had a mental age of 10 years. The army said troops fired at Mr. Cunningham when he darted from behind bushes at a surrounded house and ignored warnings to halt.

E. Germans Hold 2 GIs 8 Hours At Berlin Wall

BERLIN, June 16 (AP)—East

German border guards held two American soldiers and their car at the Berlin wall for eight hours yesterday before releasing them after Russian intervention.

A U.S. Army spokesman told a newsman that the two soldiers, not identified except that one was a sergeant, "were released by the Soviets." The spokesman said the two soldiers had been drinking. It was unclear just how they crossed into East German territory.

The two GIs sat in their civilian car, marked with military plates, in East Berlin territory just in front of the wall and next to a crossing point used by West German vehicles.

The East Germans posted one officer on one side of the small blue convertible and a guard with a submachine gun on the other side to prevent the GIs from going back across a white line marking the border.

The Army said the two soldiers began their escapade while intoxicated but ended it sober.



Galina and Valery Panov as they arrived in Tel Aviv.

'Art Belongs to Whole World'

Panovs Reach Israel, Get Big Welcome

TEL AVIV, June 16 (Reuters).—Russian ballet dancers Valery and Galina Panov arrived in Israel late last night after a two-year battle to leave the Soviet Union.

The Panovs arrived here after a 24-hour stopover in Vienna. They left Leningrad Friday.

The Panovs were greeted with hugs and kisses from a crowd that included local ballet dancers and the Baroness Baksteva de Rothschild, a ballet patron.

A woman rushed at the aircraft even before it had come to a halt and was almost crushed by its wheels.

Among the well-wishers were members of the English committee who campaigned on the dancers' behalf during the 27 months they waited for permits to leave the Soviet Union.

Obviously Tired

The couple, obviously tired, were applauded by a crowd of about 50 persons as they stepped down from the aircraft onto Israeli soil.

Immigration officials handed them Israeli identity cards and as they entered the terminal, Mr. Panov told journalists: "We are home and this is where we shall make our home."

But the bearded 35-year-old dancer, a Jew, clearly indicated that they would not confine their appearances to Israel.

"The art belongs to the whole world but this is where we shall make our home," he said.

Speaking in Russian, he added: "I am certain that we can work here. My pride is Israeli pride and the pride and honor of Israel will be mine as well."

The dancers today tried to get some rest while warding off hordes of well-wishers. Mrs. Panov had a miscarriage last Monday.

Peking Poster Indicates Leftist Drive

By H.D.S. Greenway

HONG KONG, June 16 (UPI).—The sudden reappearance of big-character wall posters in the streets of Peking is compelling evidence that the mass political campaign to criticize Lin Biao and Confucius has entered a more radical phase.

The posters, attacking the leadership of the Peking Municipal Revolutionary Committee, began appearing in the capital Thursday.

Previously, the display of critical posters in the capital was strictly curtailed. They were allowed only in certain areas, usually behind the walls of compounds, and foreigners were discouraged from photographing or even reading them. All that has changed now and, according to reports reaching here, the Chinese have even set aside parking areas for foreign diplomats and journalists who wish to see the posters.

Communist sources in Hong Kong say that the new policy is the result of a Central Committee directive which was issued in May. It gives people the right to criticize anyone at the provincial and municipal level without restriction. Officially, this is explained as a kind of rough democracy.

The directive is seen here as a victory for the leftists within the Central Committee. Since the criticism of Lin and Confucius took on the dimensions of a mass campaign in late January, the leftists have apparently wanted to bring their criticisms out in the open while the so-called moderates associated with the policies of Premier Chou En-lai have sought to keep the campaign under strict control.

The campaign is being interpreted here as a bid for power and influence on the part of the leftist elements whose power base is Shanghai and whose spiritual leader may be chairman Mao's wife, Chiang Ching. It is a group which gained a great deal of influence during the early years of the cultural revolution of 1966.

1968 and which was subsequently suppressed by the army.

Thus, a great deal of discussion in China today is concerned with whether the cultural revolution was a good or bad thing. Those who can be accused of denying the ideals and goals of the cultural revolution now find themselves in trouble.

Chinese politics during the last few years has been dominated by the moderate and pragmatic policies of Mr. Chou, who sought to rebuild the shattered Communist party. But early last year it became apparent that the left was not going to accept defeat and the party unity which Mr. Chou tried to stress at the 10th party congress in August has proved illusory.

The left began to criticize the United States and Japan, join with Western nations in initiating the movement toward the new system. It is particularly different from that of Western countries.

The criticism of Confucius, accused of having tried to bring the slave-owning classes back to power, is seen as an indirect criticism of the present regime for bringing back to power many prominent party leaders who had been discredited during the cultural revolution.

The wall posters now going up in Peking, according to reports reaching Hong Kong, justify this interpretation because the Peking Municipal Revolutionary Committee now stands accused of repressing the masses and of trying to restore discredited people to power in the same manner as did Confucius.

Other posters accuse the municipal leadership of trying to suppress the 10th party congress report of Wang Hung-wen, the young Shanghai leftist leader who emerged from the congress as the No. 3 man in the Communist party. Instead the Revolutionary Committee stressed the report of Comrade X, the posters say. The comrade is not named, but the only other report

10 Die on Brazil Bus
RIO DE JANEIRO, June 16 (AP).—Ten persons were killed and 12 others were injured yesterday when a bus plunged 35 feet from a viaduct, officials reported.

3 Chileans Given Life, 16 Lesser Prison Sentences

SANTIAGO, June 16 (UPI).—

A Chilean Air Force court-martial board has sentenced 19 men to prison terms ranging from 41 days to life for opposing the armed forces after last September's military coup. Two other men were set free.

The military tribunal had tried the 21 men on charges that included firearms violations and formation of paramilitary groups. Air force officials said the sentences must be reviewed by the commander of the Santiago Air Force Zone, Gen. José Berdichewsky.

The prosecution had sought the death penalty for three of the defendants, but the tribunal imposed life imprisonment.

The 21 also were charged with belonging to leftist groups outlawed after the coup that ousted the government of President Salvador Allende.

Turks Release 10 GIs In Smuggling Case

ADANA, Turkey, June 16 (UPI).—

Police here have released 10 Americans pending further investigations of charges that they smuggled foreign luxury goods into Turkey.

The 10—six Air Force non-commissioned officers and four civilians working at the Incirlik Air Force Base—were among 81 persons arrested last week following a search of Adana bazaars selling foreign goods. Police said they confiscated goods worth 7 million Turkish pounds (about \$338,400).

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U.S., Japanese Businessmen Urge Change Panel for Revision Of World Trade Ties

By Brendan Jones

NEW YORK, June 16 (NYT).—Speaking sharply in the international economic system to attain maximum trade freedom and cooperation at all countries on monetary, oil, resources and development issues has been urged in a joint statement by American and Japanese businessmen leaders.

The proposal, which was prepared over a period of months, three years by members of the Committee for Economic Development and Japan Economic Development Committee. Both organizations are private, nonprofit research groups whose recommendations command serious attention from governments and business leaders.

The joint policy statement stresses that basic broad changes are needed in all phases of international economic relations. The report, titled "Toward a New International System," cites what it terms the multipolar global political structure that has emerged from the militarization of the world, a framework that breeds the "cold war" Communist and non-Communist blocs.

The report points out that along with growing similarities in the economic structure of the capitalist countries, a cooperative change of a more complex nature is needed in economic and political relations of the two blocs.

The statement urges that the United States and Japan join with Western nations in initiating the movement toward the new system. It is particularly different from that of Western countries.

Among other major proposals in the statement are the following:

- A monetary system that will provide for prompt adjustment of payments imbalances.
- An oil-pooling arrangement to meet emergencies and avoidance of "destructive competition for supplies. Nations also are urged to maintain conservation develop new energy resources and give high priority to nuclear and nonconventional solar and geothermal forms of energy.



Mature female turtle with tracking radio wired to shell.

Continental Drift Is Invoked To Explain Turtle Migrations

By Boyce Rensberger

NEW YORK, June 16 (NYT).—The remarkable endurance and navigational ability of a particular population of green sea turtle, which migrates annually from grazing waters along the coast of Brazil to its nesting ground on tiny Ascension Island, 1,200 miles out in the Atlantic Ocean, has long fascinated and puzzled scientists.

The proposed theory, which was advanced by a group of scientists, suggests that a possible explanation of how the turtles acquired such abilities lies in the theory of sea-floor spreading and continental drift.

The scientists, Dr. Archie Carr of the University of Florida in Gainesville and Patrick J. Coleman of the University of Western Australia in Perth, published their theory in a recent issue of Nature.

The scientists suggested that 20 million years ago, when South America had only recently broken away from Africa, to create a narrow ocean between them, the turtles—known from fossils to have lived there—had only to swim a few miles to reach their nesting island.

But, the researchers theorized, as the ocean widened and the sea floor sagged, existing islands would be submerged, to be replaced by newer islands formed by volcanoes at the mid-Atlantic ridge. The ridge is a gap in the ocean floor, midway between the continents on either side, where molten rock from within the earth is continually welling up to form a new sea bottom, which then moves away from the gap, following the drifting continents on either side.

From time to time, the ridge produces a volcanic cone that rises above the water to become an island. Because the island rocks on the ocean bottom, it too moves away from the ridge, and eventually submerges and is replaced by still another island at the ridge.

The scientists calculated that, because the turtles take about eight weeks to make the trip, leaving Brazil from December to March, the northerly drift of the rising sun at this time of year would guide them on a curving path that follows the arc of sea mounts. Thus, even though last year's nesting island may have submerged, the turtles could find a new one simply by maintaining the same navigation method.

The turtles' path need only intersect with the plume of water-borne odors carried from the largest island by the equatorial current. Because the turtles were born on Ascension, they are believed to be "imprinted" with the island's characteristic odor and readily home in on it when they return.

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Indefatigable Atlanticist

NATO Summit Crowns Luns' Efforts

By David Haworth

BRUSSELS, June 16 (AP)—President Nixon's summit meeting here June 26 to sign an Atlantic declaration with the other heads of NATO governments has much to do with the efforts of Joseph Luns, NATO secretary-general and an indefatigable Atlanticist.

He is as vocal and insistent about his affection for the United States as he is in his warnings about the inexorable increases during recent years of Soviet military and naval power.

It is, therefore, particularly appropriate that his term of office should see the culmination of so much work on redefining relations between NATO alliance members.

The final test of the declaration is expected to be settled in Ottawa Tuesday or Wednesday when the NATO foreign ministers meet there.

Physically towering over them all will be the 6-foot 5-inch-tall Mr. Luns, who was the Netherlands' foreign minister for 19 years before he took over his NATO post three years ago.

Genscher Confers With Callaghan On NATO, EEC

DORNEWOOD, England, June 16 (AP)—West German Foreign Minister Hans Genscher conferred today with Foreign Secretary James Callaghan at the latter's official summer residence here.

A major topic of the talks was Britain's renegotiation of its terms of entry in the European Economic Community.

Informants said the ministers also discussed problems relating to NATO and the Atlantic alliance, especially the European Security Conference in Geneva, the reduction of missile forces, Berlin and the conference in Ottawa next week of NATO foreign ministers.

Mr. Genscher is understood to have briefed Mr. Callaghan on his meeting last week with U.S. Secretary of State Henry Kissinger about EEC-U.S. consultation.

Mr. Genscher currently is chairman of the community's Council of Ministers.

He has a reputation for wit and a gift for deadpan delivery of jokes. While his wit has not always been appreciated by some NATO ministers, it has on occasion been extremely useful in ending tension during alliance meetings.

Warning for Europe

Mr. Luns has always said that the United States would "demoralize" Europe if it withdrew troops unilaterally from the Continent. He is, of course, relieved now that that danger seems to have receded somewhat, although he continues to warn European NATO governments that they can do more to help offset U.S. defense costs on this side of the Atlantic.

"We over here should do more," he said in an interview. But not to the extent that some Americans seem to think is possible.

The European allies still provide 30 percent of the soldiers, 83 percent of the ships and nearly 80 percent of the planes needed for the defense of this Continent.

The secretary-general believes that this message about the extent of the European defense effort in NATO is slowly being acknowledged by U.S. opinion. But he sees another battle with public opinion—this time in Europe—as an essential part of his duties. That is, the growing reluctance by political parties, and governments, to see danger in the Warsaw Pact's strategic posture.

"Or rather," Mr. Luns said, "the governments do, I think, perceive the threat but fail to put the message across because defense expenditure is electorally unpopular and there are few among the many fragile coalitions now in power in Europe who are prepared to advocate an increase in such expenditure. This is particularly so in such economically difficult times."

Prosperity, Security

While Mr. Luns believes that Western Europe is growing stronger and—very slowly—more united, he sees a widespread tendency to confuse prosperity with security. With some emphasis he pointed out that prosperity of itself does not add to security.

"Indeed, prosperity is conditional upon security and as we

grow more prosperous, security should become more important to us, not less," he said.

Mr. Luns said that the response by ministers to his frequent warnings that the Russians are hell-bent on "Finlandizing" Europe is: "I see Luns is climbing onto his hobby-horse again." But, Mr. Luns added, remarks like that do not rebut the arguments. "Notwithstanding détente, I believe those arguments are overwhelming," he said.

"What bothers me is that the Soviet bloc is able to proceed with détente, convincing the West that it is a good and desirable thing, while at the same time increasing vastly its military armaments," Mr. Luns said.

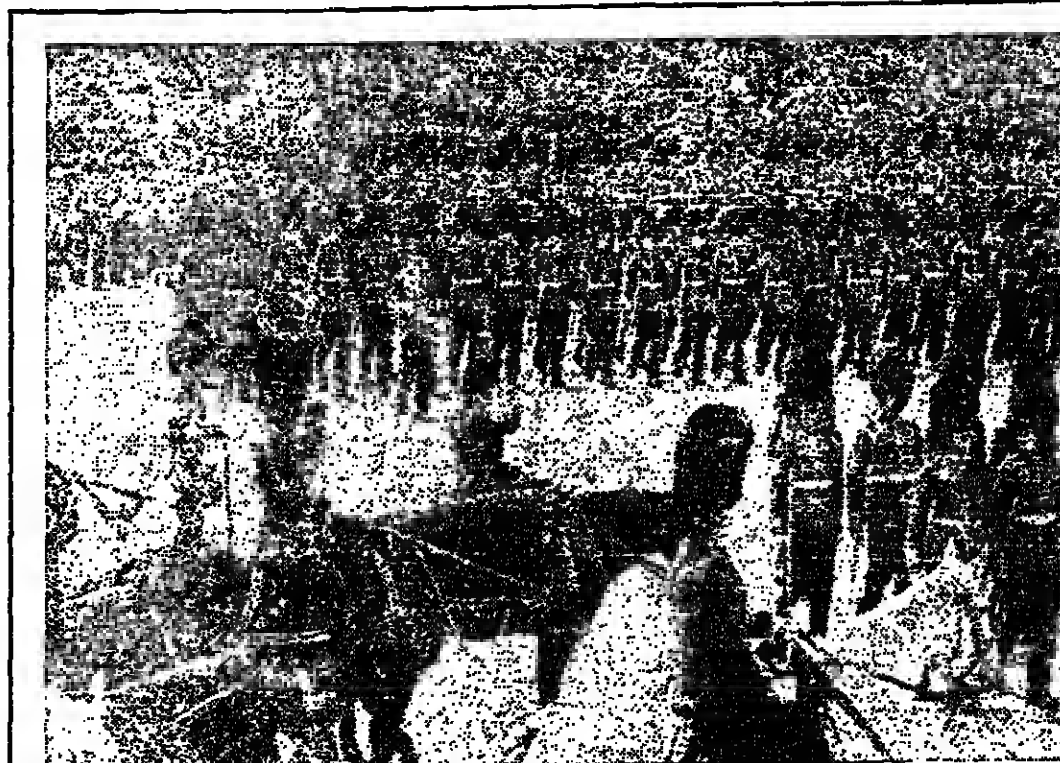
There is something wrong somewhere. Nor is it remotely the case—as the Soviets reply to such criticism—that their increases in strength are based purely on defensive considerations. While I'm not saying that such force increases indicate the imminence of a Warsaw Pact invasion of Western Europe, there is a tendency on our part to underestimate the long-term potential such a build-up has as a means for exerting political pressure."

Geneva and Vienna

The real test of Soviet intentions and good faith must be seen in the current East-West security talks now deadlocked in Geneva and the mutual and balanced force reduction talks in Vienna. Mr. Luns is not optimistic about the outcome of either negotiation. He fears the Russians will finally balk at the so-called "Basket Three" requirements of the Western allies in the Geneva talks which call for freer movement of people and ideas. As for the Vienna talks, the Russians throughout have refused to honor the word "balanced."

"Détente is not an acceptable concept to me if it is solely concerned with giving advantages to the Soviet Union," Mr. Luns said.

Mr. Luns thinks that the June 26 summit meeting could be crucial in deciding whether there is going to be progress in the Geneva and Vienna talks. Much will depend on the message from the whole alliance that Mr. Nixon takes to Moscow. To the extent that Mr. Luns himself has an influence on the tone of that message, it will be a tough one.



ROYAL ANNIVERSARY—Britain's Queen Elizabeth II (center) taking the salute from the troopers of the Guards' Regiment as they march by in the annual Trooping the Color ceremony officially marking her 48th birthday in London on Saturday. Her birthday is April 21, but the official celebration is delayed until a Saturday in June when the weather is better suited for the colorful ceremony.

Turkey Gets Oil Protest From Greece

ANKARA, June 16 (Reuters)—Greece has delivered a protest note to Turkey on the oil exploration activities of a Turkish naval survey ship in the north Aegean Sea, the Foreign Ministry said yesterday.

A ministry spokesman said the note was given Friday to Turkey's Ambassador to Athens, Kamran Gurun. The note asserted that Turkey was violating Greek rights on the continental shelf around the 3,649 Greek islands in the Aegean Sea.

The 1,010-ton Candarli and its sister ship, the Carsamba, are to return to the disputed area to continue seismic work on behalf of the state-owned Turkish Petroleum Co.

When the Candarli first sailed into the disputed area May 29, Turkey and Greece placed their armed forces on alert.

Military Exercises

The Greek Navy and Air Force were reported to be carrying out military exercises this weekend in the same region where the Turkish armed forces will begin exercises Tuesday.

Before his departure for Ottawa yesterday to attend a NATO meeting, Turkish Foreign Minister Turgut Gunes told reporters that he would meet his Greek counterpart, Spiro Tetsenes, Thursday for talks on problems between the two countries.

Mr. Gunes said he would only have talks and not negotiations on the oil exploration dispute.

A senior Foreign Ministry official said the Greek note referred to a 1968 Geneva convention, claiming it gave Greece rights over the area into which the Candarli had sailed.

"This is a baseless attribution, because the sixth article of the convention requires an agreement between the two countries and there is no such agreement between Turkey and Greece," he said.

Bangladesh Officials Seek Funds in Europe

DACCA, June 16 (Reuters)—Bangladesh economic experts have set out on a tour of European capitals seeking help for the country's stalled five-year development plan.

Nurul Islam, deputy chairman of Bangladesh's Planning Commission, left for Brussels, Prague and London to negotiate economic assistance for the 20-billion plan, which was launched last July but faltered for lack of foreign help.

Mr. Islam said he would work out the details of a \$36-million loan offered by Czechoslovakia and discuss with British officials a \$48-million credit given to Bangladesh.

Mrs. Gandhi Defends A-Test, Assails Nonproliferation Pact

NEW DELHI, June 16 (NYT)—Prime Minister Indira Gandhi said here yesterday that India was against the nuclear nonproliferation treaty because "we agree to it."

She told foreign correspondents at a luncheon meeting that India was against the nuclear nonproliferation treaty because "we agree to it."

"If there is agreement which applies equally to everybody, then naturally we shall have to think about it," she added.

Her statement, in reply to a question, implied that India would not have conducted its underground test last month but for discrimination that her regime sees in the nonproliferation pact worked out between the United States and the Soviet Union eight years ago.

India, along with several other nations, refused to sign it.

India has attempted to justify its nuclear test with arguments that it was for "peaceful purposes" and would help India's economic development.

Mrs. Gandhi said that the non-proliferation treaty exempted a few nations from any obligation and they were allowed to stockpile nuclear weapons, whereas other nations were "not even allowed to experiment for peaceful purposes."

The 56-year-old prime minister spiritedly disputed criticism that India's nuclear test was at the cost of badly needed financial resources.

"I think normally we can feed our people and, in spite of the drought, the shortage and the so-called begging bowl, we have imported very marginally," she said.

She said that the nuclear explosion's cost was "a very, very small fraction of our expenditure on our development program—about one-hundredth."

Mrs. Gandhi said that she would not be happy if Pakistan was tempted to stockpile nuclear weapons, explaining: "We are not happy with nuclear stockpiling anywhere, not only in Pakistan. Any such stockpiling is dangerous to the world."

Mrs. Gandhi said that India was ready to share with Pakistan technical knowledge in the nuclear field. "We are prepared to share with them what we share with others," she said.

\$1.4-Billion Aid Pledge

PARIS, June 16 (NYT)—The industrial nations of the West have pledged \$1.4 billion to India during the next year to ease its precarious economic situation, caused in part by the recent soaring of oil prices.

Although there was substantial expression of concern over India's diversion of resources to build an explosive atomic device, a 13-nation consortium of Western powers agreed on Friday, after

two days of meetings here, that "substantial new commitments of aid were required in present conditions in the current year as to maintain imports at minimum adequate level."

The consortium functions under the auspices of the World Bank, which recommended the \$1.4-billion aid pledge. The commitment to the world's second most populous country increases the consortium's aid this year by about \$200 million over last year's pledge.

The United States is participating in the consortium aid program for the first time since 1971, when it suspended the making of new commitments following the outbreak of the war between India and Pakistan over East Pakistan, now the independent nation of Bangladesh.

While Mr. Arias Navarro's speech on associations went little further than his address to parliament four months ago, diplomatic sources said it was an effort to clarify to both the left and the right the limits and ambitions of the government's prevailing policy of "Ondog." The 71 troops then entered Longkeng, trapping about 4,000 soldiers.

They said that Mr. Arias Navarro, who is under pressure from liberal elements that feel reform has not moved forward quickly enough and from conservatives who are wary of it, wished to demonstrate that there would not be "instant" political parties. But at the same time he wanted to indicate that reform—of trade unions, parliament and local elections—was cautiously but firmly going ahead.

Later yesterday, the government discussed the political moderate and highly influential chief of the joint chiefs of staff, Lt. Gen. Manuel Díez Alegría, and replaced him with a conservative, Gen. Carlos Fernández Vallespín. Sources had reported the move Friday.

Gen. Díez Alegría, 68, has publicly supported the government's proposed liberalization, a rare occurrence in the Spanish military. He is also author of a book of essays, "The Army and Society," in one of which he argued that the military should never be used as a tool of repression.

While refusing to establish too close parallels between the two countries, diplomatic sources noted that Portuguese Gen. Antonio de Spínola, who led the military revolt that toppled the rightist

regime in April, had written book about the armed forces had also been fired.

However, Gen. Díez Alegría's term of duty was to have expired next month.

No More Details

But Mr. Arias Navarro gave no timetable nor more details on the birth of political associations. He was careful to point out that such reform was "delicate" and entailed "difficulties and risks."

He said the associations could in no way endanger the country's fundamental laws, or constitution, and emphasized that any attempt to do so would not be tolerated.

Mr. Arias Navarro also said the political associations—"parties" is a concept the regime has distrusted because of the chaos of the Republic in the 1930s—must come from within the framework and channels of the movement.

He called on the movement's National Council, "a communion of all Spaniards," to help elaborate the details of greater political participation.

The National Movement is a grouping of civilian forces who supported Generalissimo Francisco Franco in the overthrow of the Republic, but, in recent years, it has been dominated by the Falange, a fascist-rooted organization, and has seen much of its influence eroded.

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Spain Affirms Plan to Allow Some Political 'Associations'

MADRID, June 16 (UPI)—Premier Carlos Arias Navarro said yesterday that the government is going forward with already announced plans to allow political "associations." But he said they must come within the framework of the National Movement, Spain's only existing political organization, and failed to establish a timetable or give specific details.

In a speech at the end of a week of political speculation by observers both inside and outside the regime, Mr. Arias Navarro told local officials of the movement in Barcelona that "the right of (political) association is at the forefront of all democratic development."

He said his proposal for such political associations was "an effort to translate the spirit of our permanent principles into the language, aspirations and concerns of present-day Spain." Political associations are now outlawed in Spain.

No More Details

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No Political Progress

On the political front, Premier Longkeng reported no progress in his attempt to form a government. The premier resigned Thursday amid dissension in coalition cabinet and was quickly named by President Lon to form a new government.

Longkeng held talks Friday with Lon Nol and met with leaders of three factions of the cabinet in an attempt to reach compromise.

In South Vietnam, government troops failed for the sixth consecutive day today to clear Cong forces from a key high-altitude area of the highlands east of Saigon. Viet Cong troops took over a stretch of Highway 19 on Tuesday after overrunning militia posts.

Field officers said it probably would take another week to clear the estimated 300 Communist from the six-mile stretch of road. More than 20 government planes bombed the roadside during the weekend, the officers said.

The blocked section of road 50 miles east of Saigon. The highway connects Saigon with cities to the north.

L.A. Throws Cold Water On Gift Art

LOS ANGELES, June 16 (AP)—A three-pronged, a pentine, green, hollow bronze creation, topped by orange and yellow translucent lotus which alternately lighted and sprayed water, sprout overnight in the reflect pools of the Department of Water and Power office building here.

Wade Cornett, 27, a sculptor from Oxnard, Calif., as three barefoot friends haul the 15-foot sculpture over six-foot wall early Friday, a surging worried night watchman that it was a gift to the people of Los Angeles and the department.

Officials were not amused. They ordered workmen to dismantle the creation. The decision to say whether the would prosecute the four.

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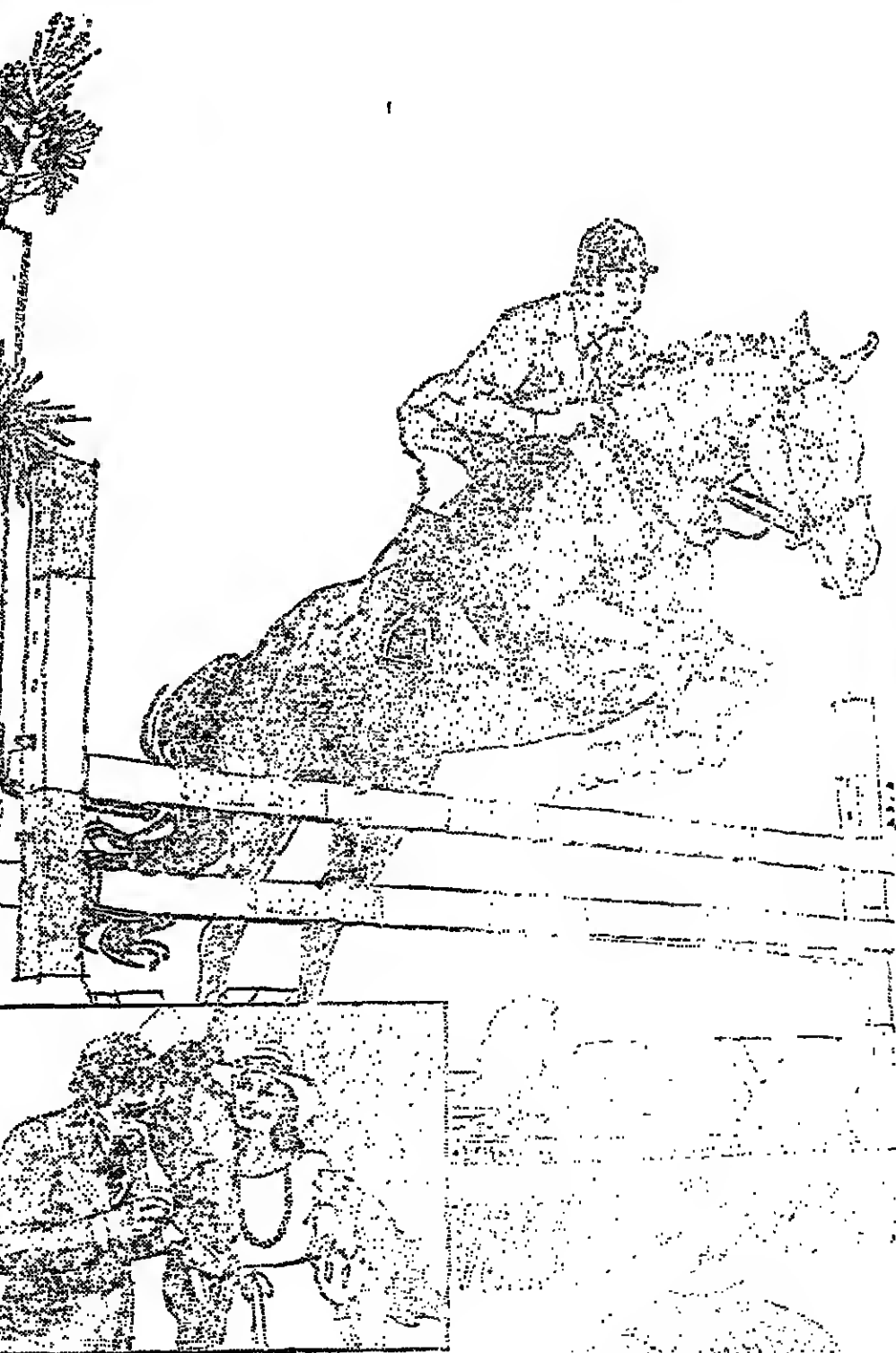
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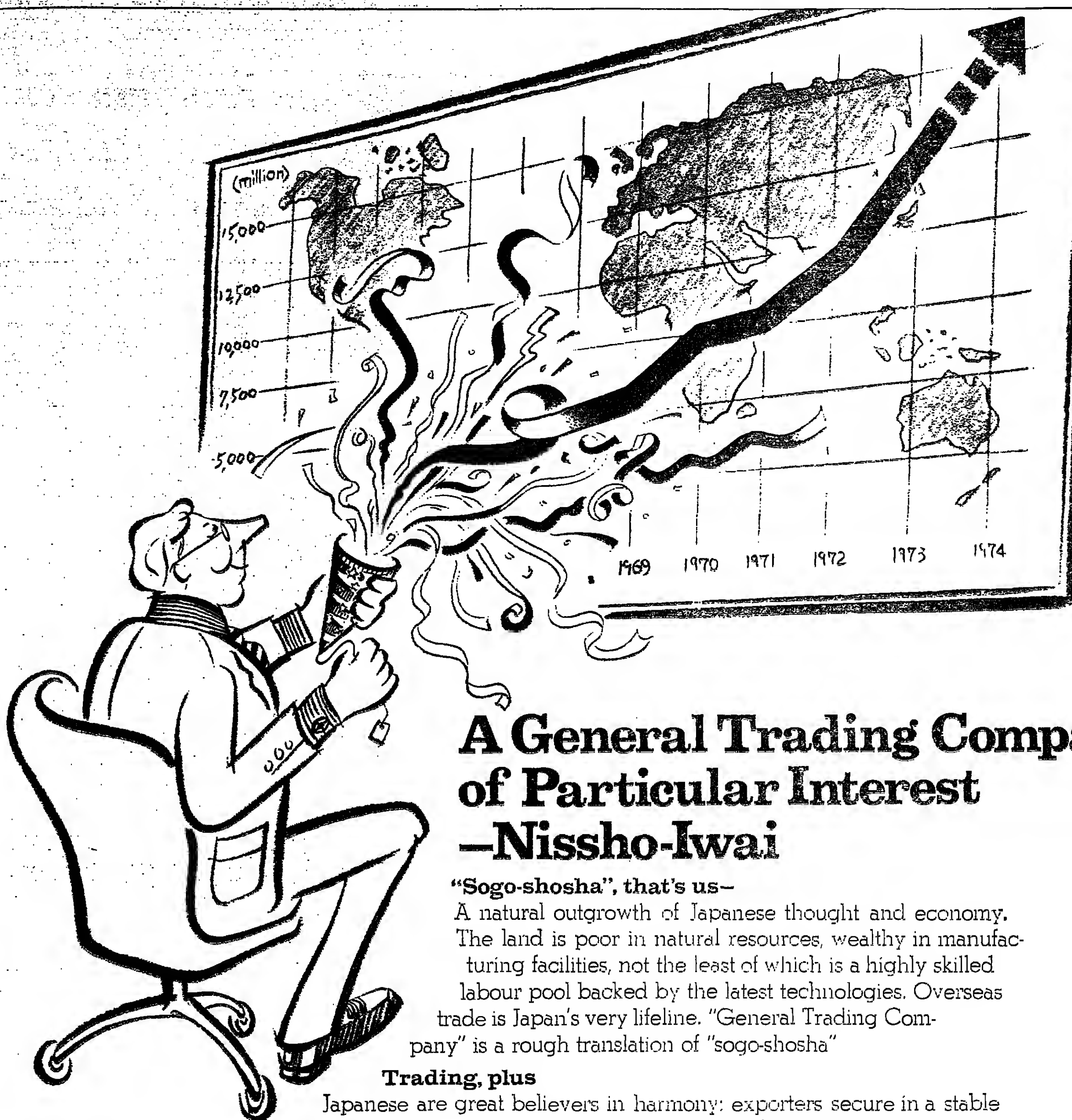
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Japanese are great believers in harmony: exporters secure in a stable market, importers sure of steady supplies, make for harmonious trading. Nissho-Iwai trades everything from wheat to mammoth tankers to the tune of \$12,500 million. And to keep the goods moving, we develop natural resources.

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Kissinger's Role In the Wiretaps Is Still Not Clear

By Seymour M. Hersh

WASHINGTON (NYT).—"Mark my words," the angry White House official said early last week, "the people indulging in this one are going to be sorry. The country just won't stand for criticism of Henry."

He was talking about persistent reports, primarily published by a few newspapers, that Secretary of State Henry Kissinger had been less than candid in his testimony last September about the "national security" wiretaps of 13 former government aides and four reporters.

A few days later, Mr. Kissinger made his apparently spontaneous threat to resign. "Simple fairness," he said in offering to testify before the Senate Foreign Relations Committee again, "requires that either there be an exoneration, or that there be a public accounting of those who engaged in this defamatory character." Within days, a majority of the Senate signed a resolution affirming that Mr. Kissinger's "integrity and veracity are above reproach."

"He hasn't committed perjury in my opinion," said John Stennis, D-Miss., chairman of the Senate Armed Services Committee, one of the signers.

A careful review of Mr. Kissinger's testimony last September and the known facts in the wiretapping, as supplied recently to the House Judiciary Committee, which is conducting the impen-

Kissinger's Statements

On Sept. 7, 1973, Mr. Kissinger told the committee, then considering his nomination to be secretary of state, that, after publication of a New York Times dispatch on the secret B-52 bombing of Cambodia in May, 1970, "the President consulted with the then director of the FBI (J. Edgar Hoover) and the attorney general (John Mitchell) about the best methods to deal with the problem."

"He was told that the most effective method was to apply procedures that had been followed also in previous administrations; that is to say, to tap individuals according to specific procedures. At that time I had been in the government for four months, and I must say that it did not occur to me to question

Gerhard Gesell in Washington

Early in 1971, Judge Gesell ruled that it was unconstitutional for members of Congress to hold military reserve commissions during their terms of office. The same year, he ruled that the FBI must restrict its distribution of arrest records outside the federal government.

In June, 1971, the judge refused a request by the government for an injunction halting publication by The Washington Post of a series of articles based on a Pentagon study of U.S. involvement in Vietnam.

"Our democracy," he wrote in his ruling, "depends for its future on the informed will of the majority, and it is the purpose and effect of the First Amendment to expose to the public the maximum amount of information on which sound judgment can be made by the electorate."

But he has been highly critical of pretorial publicity at times, telling Leon Jaworski, the special Watergate prosecutor, in February, "It seems to me your good sense should keep you off (television) talk shows" during the pretorial hearings in the case of Dwight Chapin, who was convicted in April of lying to a grand jury.

Judge Gesell, a Democrat who was appointed by former President Lyndon Johnson in 1967, has the reputation of being one of the most liberal of judges on the federal bench. In the courtroom, he is always courteous, capable of withering scorn, alternating with a sudden, disarmingly warm smile of deferential courtesy or shaming rebuke.

Gerhard A. Gesell was born in Los Angeles on June 16, 1910. His father, Arnold Gesell, was a noted pediatrician whose counsel



Judge Gerhard Gesell.

sued by the House Internal Security Committee and listed about 65 "radical revolutionary" campus speakers could not be printed and distributed at public expense. The report, he said, in his opinion, had "no relationship to any existing or future legislative purpose and was issued solely for... exposure or intimidation." Later that year, however, the House adopted a resolution that overruled the judge, and the report was printed.

Gallup Poll

Nixon's Popularity Increased Slightly After Golan Truce

By George Gallup

PRINCETON, N.J.—President Nixon's popularity rating has increased slightly from a low point of 25 percent approval in a survey early in May to 28 percent in one conducted immediately following the latest Middle East cease-fire agreement.

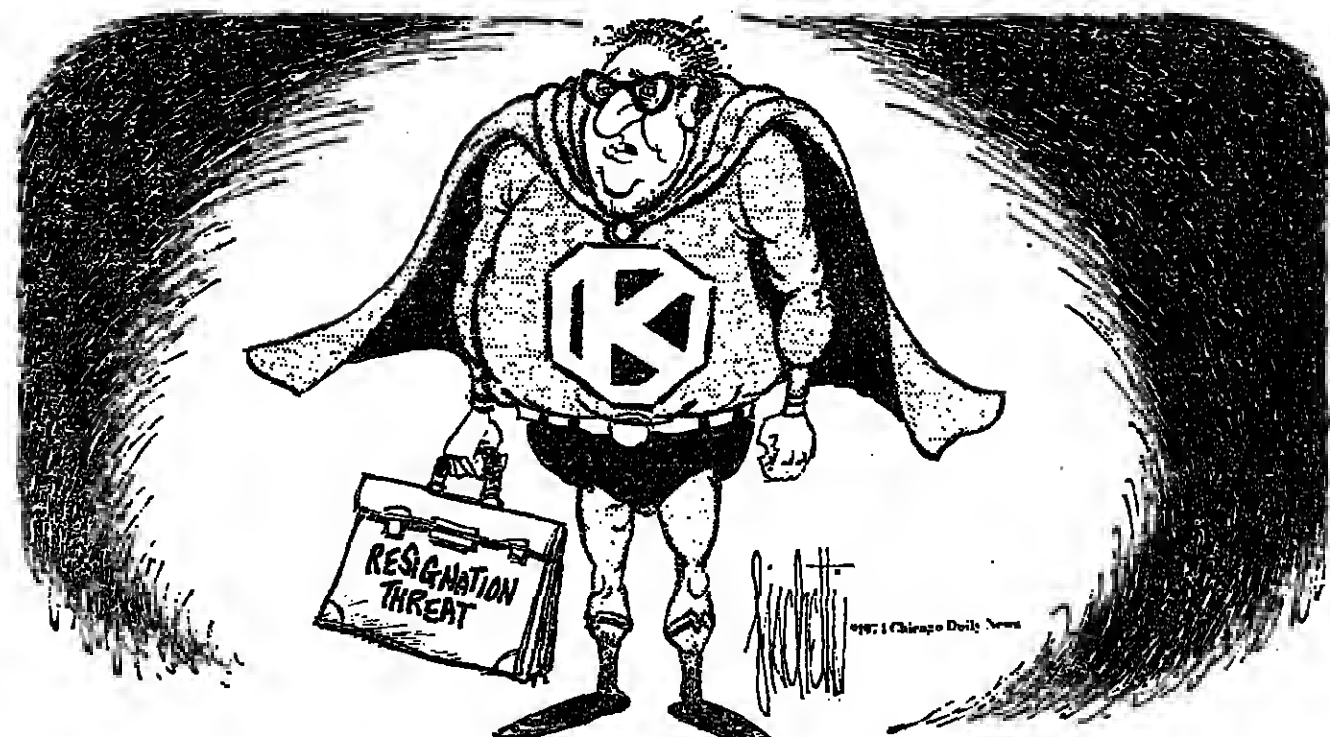
For the first six months of 1974, the rating of the President's job performance for 11 measurements has fluctuated within a narrow range of three percentage points, from a high of 33 percent to a low of 25 percent.

The President's high point in popularity, 68 percent, was recorded in a survey taken immediately following the Vietnam peace settlement in January, 1973. His popularity subsequently declined, accelerated by Watergate developments during the summer and autumn.

Regionally, Mr. Nixon continues to receive his highest rating in the South, the area where he has recently made a number of personal appearances. Among Southerners, 33 percent approve his handling of the presidency. Regional differences in approval ratings, however, are not so marked today as they were in the pre-Watergate days.

Nixon's Job Rating in 74

	AP-UP-AP	AP-UP-AP	AP-UP-AP
May 31-June 3	38%	61%	11%
Middle-East Cease-fire			
May 10-13	25	61	14
April 10-12	26	60	14
April 13-15	25	62	13
Nixon Release of Transcripts			
March 29	26	65	9
March 8-11	26	62	12
Feb. 22-25	25	64	11
March 1-4	25	64	11
Feb. 8-11, 15-18	27	62	10
Feb. 1-4	25	59	13
State of Union Message			
Jan. 18-21	26	61	13
Jan. 4-7	27	62	10



"If anyone else questions my integrity I'll hold my breath until I turn blue."

the judgment," Mr. Kissinger said, adding: "My office was required to submit the names of those officials that had had access to the information that had leaked. I was not necessarily informed of the fact that a wiretap had been placed."

Once a wiretap was put in place, he testified, "the only way I would be able to tell whether it had continued would be if that person had used what the FBI considered national security information in a telephone conversation and a report had been made to my office."

Asked during further testimony

on Sept. 17 what he knew about the termination of the wiretaps, Mr. Kissinger said that "I never pressed the question explicitly. I assumed that a wiretap which proved unproductive was terminated." Asked whether he ever took "a clear initiative" on "even a single tap," the President's national security adviser said, "No... not in the sense that I said 'tap this individual.'"

Mr. Kissinger also testified at length about the wiretaps in secret before the committee and might have expanded his remarks, but there has been no evidence that what he said in private then in any way conflicted with his public testimony.

In effect summing up his testimony, Mr. Kissinger told the senators on Sept. 17 that "I

never recommended the practice of wiretapping. I was aware of it, and I went along with it to the extent of supplying the names of the people who had had access to the sensitive documents in question. Despite some newspaper reports, I never recommended it, urged it, or took it anywhere."

In press conferences during the next nine months, including the one in Salzburg, Austria, last week, the secretary significantly modified his position. For example, he has conceded that his role in the wiretaps issue was more extensive than that of simply being required to submit lists of aides with relevant security clearances. "The point I am making," he said last week, "is my office did not initiate any requests for wiretaps that were not triggered by a security violation or by fulfilling the criteria of adverse information in the security files..." But it is only Mr. Kissinger's Senate testimony that will be at issue in any future hearings.

The FBI documents submitted to the House Judiciary Committee contradicted Mr. Kissinger's Senate testimony in almost every significant aspect and also raised questions about his general descriptions of what he did and what he knew. Similarly, interviews by The New York Times of some of the key officials involved in the wiretapping also suggested that Mr. Kissinger's role was not entirely the one he described to the Senate.

There is no independent evidence that President Nixon was the first high government official to conceive the idea of wiretapping. On Feb. 28, 1973, according to a portion of the edited presidential transcripts initially withheld by the White House, Mr. Nixon was quoted as telling John Dean 3d, then his counsel, that Mr. Kissinger had asked that the wiretaps be placed. "I know that he asked that it be done," the President said. "And I assumed it was."

The FBI documents made available to the Judiciary Committee include two memoranda of conversations between Mr. Kissinger and Mr. Hoover on May 8, 1973, the day of the critical New York Times Cambodia bombing story. Mr. Hoover wrote that Mr. Kissinger initially raised the issue of newspaper leaks, and he agreed to take action. "Dr. Kissinger said to do it discreetly, of course," Mr. Hoover wrote.

On May 10, 1973, one involved source has told The Times, Alexander Haig Jr., then Mr. Kissinger's deputy and an Army colonel, made direct contact with the FBI, warning that the leaks, if continued, were "going to destroy Mr. Kissinger's foreign policy."

FBI sources and the memoranda supplied to the committee show that Mr. Haig consistently

Limited Opportunity

However it is best described, the new emigration is an important characteristic of contemporary Soviet life. Not since Stalin assumed dictatorial powers in the early 1930s have Soviet citizens had such an opportunity to leave their homeland, although the opportunity is still strictly limited.

Vast numbers are not pining to leave. It is hard to imagine any people more attached to their country than the Russians. Virtually every departure is painful. The metaphor of a "soul drain" is extraordinarily accurate among the intelligentsia and many of those left behind are deeply upset by the emigration.

At the same time, emigration represents a new alternative for people to whom alternatives are rare and precious. Although Russians, often love their suffering, they also recognize the human cost when it is overdone. There was a collective sigh of relief in the Moscow intelligentsia when Mr. Solzhenitsyn was exiled last winter and not imprisoned. "It is terrible, of course, but there, at least, he can write," the thought was widely shared here.

Sinyavsky Case

In 1966, Andrei Sinyavsky, critic and writer, was convicted with Yuli Daniel of writing anti-Soviet literature. He served term in prison camp, then year applied to go to the U.S. The authorities gave him permission to return to Paris in 1970, but he never returned. He is now in the U.S. and has been a vocal critic of the Soviet regime.

Two prominent dissidents, Zhores Medvedev and Valery G. Solzhenitsyn, were allowed to go abroad on "temporary" visits, then informed by Soviet officials of their status. They were not allowed to get rid of all of us, one said. Two prominent dissidents, Zhores Medvedev and Valery G. Solzhenitsyn, were allowed to go abroad on "temporary" visits, then informed by Soviet officials of their status. They were not allowed to get rid of all of us, one said.

Why does someone decide to leave? For most, the decision seems to come when it is no longer possible to pursue one's life in the country. "Writers can't for the drawer, at least," a man said recently, "but can I have my instrument for the draw? Really?"

The heavy hand of official censorship—much heavier than it was 10 years ago—convinced many creative intellectuals that they have done all they can here.

This is not new—in the 50 years, the censorship was more stifling and the hopelessness more pervasive. The new emigration is one sign of the changes that have inevitably occurred since Stalin's death because of disappearance of the terror parades.

Intellectuals argue fiercely about whether this is really progress. While the argument goes on, satisfied citizens are once again leaving Russia, renewing a toxic migration which has Russia deeply, but has enriched the rest of the world.

Jewish Phenomenon

The new emigration began in 1970 as a predominantly Jewish phenomenon. A thousand Jews emigrated in that year, 13,000 in 1971 and more than 30,000 in each of the last two years. A large proportion of Soviet

A Tangled 'Spy Swap' Involving Castro and Five Capitals

By Benjamin Welles

WASHINGTON (NYT).—A tangle of spy swaps involving Fidel Castro, Pope Paul VI, and a Cuban agent, the U.S. Central Intelligence Agency, has been unraveled.

Nothing is just a promise made by the Cuban premier to the Holy See three years ago and reported to the Belgian government six months ago. The key to the matter, behind the scenes, is the Cuban premier's promise to the Holy See to release a Cuban agent, the U.S. Central Intelligence Agency, has been unraveled.

The case coincided with the major in U.S.-Cuban relations, a time when Mr. Castro feared for his life. The Cuban premier was claiming that the CIA might try again to overthrow his government. The U.S. landings in the nearby Dominican Republic early in the year had stimulated Mr. Castro's phobia that the United States had plans to crush him.

In 1966, Mr. Lunt received the unusually severe sentence of 30 years in jail. Unless released early, he will be 71 when his term ends in 1996.

For six years after the sentence, Mr. Lunt's wife, brother and sister struggled with a U.S. bureaucracy which was slack

during a family visit to Washington in 1961, he was recruited by the CIA to collect information about political, military and social conditions in the island.

Despite warnings from family and friends that life in Cuba was becoming increasingly risky for Americans, Mr. Lunt went back.

In June, 1965, he was arrested on charges of espionage and of harboring counter-revolutionaries at his ranch—for example, persons seeking to leave Cuba. During his trial, after six months of harsh interrogation, Mr. Lunt displayed what to some seemed bullheadedness, to others, raw courage.

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and defeatist in the face of Mr. Castro's severity. In 1971 came the first glimmer of hope.

In response to their pleas, Pope Paul sent a private diplomatic message to Mr. Castro urging "benevolence" for Mr. Lunt.

Within weeks, the Cuban government, in an aide-memoire to the Vatican, agreed to free Mr. Lunt. The price: release from Portuguese imprisonment of one Pedro Rodriguez Peralta, a Cuban Army captain. Capt. Rodriguez (whom the Portuguese call Peralta, his mother's family name), now 34, is a close friend of Mr. Castro.

He was wounded and captured by Portuguese troops in November, 1969, while accompanying armed militants of the independence movement in Portuguese Guinea.

Rejection

Cuba's offer to the Pope—Mr. Lunt for Capt. Rodriguez—apparently fell on deaf ears in the Portuguese capital. Marcel Castejo, then the premier, coldly rejected "unofficial" hints by the Americans, the Belgians and the Vatican that he set free a Cuban Army officer and acknowledged Communist caught stirring up dissidence in Portugal's war-ravaged African territories.

In fact, Mr. Castejo and his ministers felt so strongly about

the Rodriguez affair that they had the initial light sentence imposed by the Portuguese Army in Guinea—18 months and a small fine—set aside. A new trial was held in Lisbon and Capt. Rodriguez's sentence was increased to 10 years.

After the Castano regime's overthrow this past April 25, Mario Soares, the Socialist, who was named foreign minister of Lisbon's new regime, opened cease-fire negotiations in London with leaders of Portuguese Guinea rebels with whom Capt. Rodriguez had been captured. It is considered virtually certain that the fate of Capt. Rodriguez was a topic of discussion.

Meanwhile, as various junta chiefs in Lisbon were pledging self-determination for Portugal's African territories, an amnesty issued by the new provisional government decreed that all Portuguese "political" prisoners jailed by preceding regimes were to be freed.

Cuban Shift

Under the amnesty, Capt. Rodriguez, who had four operations on a wounded arm while in Portuguese custody, could reasonably expect release.

The Cuban Foreign Ministry now informed the Belgian government and the Vatican that its

proposed trade—Mr. Lunt for Capt. Rodriguez—was canceled. The Cubans said that they no longer saw any need to adhere to their 1971 undertaking; in fact, they were now seeking Capt. Rodriguez's release because they said, they felt on "very good" terms with Portugal.

But the Cubans appear to have misread the provisional government's amnesty. Those acquainted with its policies say that while his new Lisbon regime intends to be liberal—there are, after all, two Communists in the cabinet—it will continue backing NATO and it will seek closer ties with the United States.

As president of the regime, Gen. Spínola has blocked the release of Capt. Rodriguez, noting that the Cuban hardly fits the category of a "Portuguese political prisoner." Gen. Spínola's colleagues have told U.S. officials that American and Belgian "interests" in the case will not be ignored.

The Cubans have engaged Manoel de Almeida Carlos, a left-leaning Portuguese attorney, as counsel for Capt. Rodriguez. The lawyer is a brother of the new Portuguese premier, Adolfo de Almeida Carlos.

Portuguese leftists or the Cubans have planned instiga-

tions in the Portuguese press for the United States is "meddling" in Portugal's affairs. Leftist groups have been demonstrating near the Lisbon military hospital where Capt. Rodriguez is being held.

While some U.S. congressmen are now showing an interest in the Lunt-Rodriguez affair, the Department and CIA officials decline to discuss the case publicly; each insists that it's other responsibility.

Despite domestic leftist pressures, Gen. Spínola and his recently have begun stressing "sanctity" of international obligations. Mr. Castro's 1971 pledge the Pope is, in their view, undertaking that should be filled. They have made it known through private channels that Capt. Rodriguez will be released only in exchange for Mr. Lunt.

Daily Lottery in N.Y.

NEW YORK, June 16 (NYT).—The New York state lottery, which operates on a weekly basis, will hold 24 daily drawings a month in an effort to shore up sagging ticket sales. It will be the state's first experiment with a daily lottery.

Ticket sales have slipped \$17 million weekly from \$5 million weekly in 1972.

The Men Who Disconnected the French 'Connection'

By Alan Tiller

MARSEILLES (UPI)—The wailing of police sirens filled the air around the Vieux-Port here as the police rushed from their HQ next to the hilltop cathedral to chase gunmen making off with 500,000 francs from the fifth floor of the local daily "Le Provençal."

This dramatic holdup, pulled to a halt by inside help, was riddled with indifference in the underworld bars between the art and the Opera House. What \$100,000 split between five men compared with the tens of millions of dollars to be made from smuggling heroin to the United States?

John Bartels, head of the Drug Enforcement Administration, claimed the other day that the infamous French "connection"—the Marseille link along the Turkey-U.S. drug trail—had been smashed and that 90 percent of its members had been sent to prison.

The French and American agents fighting the drug gangs on the street level are a little less sure. The big Corsican hoodlums like the cash are still very much in liberty. So is a millionaire playboy who has kept one step ahead of agents in Europe and in the U.S.

Commissaire Reacts

One man who reacted to those sirens was Commissaire Marcel Morin, a slim, short man 40 with immaculate wavy hair and impossible light summer skin. At the head of the Marseille's Brigade des Stupéfiants (Narcotics Squad) made his way from his undercover apartments behind the port to his official office in the Evêché, the hilltop shop's palace turned police headquarters.

He would know how to handle these local bandits, he said. Morin once ran France's ski-gang squad, a tough team which had the nation's bank robbers reeling. He got so good it that he became bored. He brought the same ruthless methods to his next job in Marseille, a job he found "thrilling." His arrival meant that, daily, after years of pressure by Washington, the heroin laboratories would be uncovered and one of the biggest traffickers died for 20 years. Mr. Morin dashed plotting against the drug king. He probably bent a few along the way, but when he took the traffickers it was with the same speed he had shown in hunting up bank robbers.

A top American narcotics agent said of him: "You cannot teach this man anything. I've never seen anyone so thorough. He checks everything."

The success of Mr. Morin and American agents in the last three years has set the traffickers back—20 years in the opinion of one American.

Going to Paris

There is another side to the picture.

Commissaire Morin is being transferred from Marseille to an office job in Paris. France's most brilliant cop does not like the move one bit, since he considers his job unfinished. His view is shared by many DEA men in the United States who believe that the pressure should be maintained relentlessly against the gangs for at least another year.

For the record Mr. Morin says simply: "It is all very well to talk of 90 percent success. But 90 percent of what? We've found 30 laboratories. Who knows how many there are altogether. There may be 25. There are still chemicals around."

Another disquieting feature is that the Paris appeals court has started reducing the deterrent sentences meted out recently to major traffickers like André Laby and Joseph Signoli. Until now, appeal invariably meant a stiffer sentence. The judges' new line surfaced shortly before the opening today of the trial of Jean-Baptiste Croce, 54, owner of the biggest cafe in Bastia, Corsica (and many other blocks of real estate). Mr. Croce, Mr. Morin said, is the man who financed the shipment of one ton of heroin to the United States.

Mr. Croce will appear in the dock with his wife and 32 other co-defendants (some with their wives, too) in what will be France's biggest drug conspiracy case. New French jurisprudence permits the charging of whole families of suspected criminals and the Croce case, prepared by Marseille's Examining Magistrate René Saurel in collaboration with U.S. authorities, is modelled upon similar conspiracy cases in New York.

Best Lawyers

Mr. Croce dropped much of his vast fortune in casinos, but there is still enough to pay for the very best lawyers from Paris. Mr. Saurel, who went to the United States to interview convicted French traffickers and build his case, has lost five kilos in weight running around. His dossier still one whole room in the Palais de

Justice in Marseille. "I've had to do all this myself, but I don't think I've made any mistakes," the haggard magistrate said. The key word in the charges is "entente" and the 34 are accused of having this "understanding or agreement" to produce and smuggle heroin.

It's a crucial case. Friends of the magistrate say he sometimes feels himself alone against the underworld with its influence in legal and political circles. "Saurel-Gestapo" signs in Marseille indicate that he is unpopular in some quarters.

Then there is the threat of resumed supplies of morphine base from Turkey. Supplies dwindled when Washington began paying off the Turkish government and the Turkish heroin rate, is reflected in the pressure Paris is also putting on the Turks.

The New York dealers are apparently awaiting the good Turkish opium refined in Marseille—the "shortage" has driven New York street prices from \$12,000 wholesale for a kilo in the early 1970s to \$35,000-\$45,000 now, sometimes higher.

"It's hard to get kilo quantities of French heroin on the East Coast," a narcotics agent said. There's been a rush into South American cocaine, large shipments of hashish from Morocco and the Mediterranean area carried on ocean-going yachts crewed by young Americans.

Only small lots of Turkish morphine base—presumably from Turkish "stocks"—have been en-

tering France and labs have been started up to process them. Generally, the gangs have trouble putting together 20-kilo consignments.

Squeeze on Finance

No one is admitting that this is the calm before a heroin storm. However, the Marseille underworld is closely following Turkish developments and a surprising knowledge of the Turkish coalition politics is revealed by some Marseille hoods.

French and American agents are trying to put the noose around some big Corsican "god-fathers" before a new connection can be pieced together. These are men who can put up a million dollars in cash quickly. But narcotics agents have found it virtually impossible to work on the island. "Everyone knows we are there immediately we step off the plane," an agent said.

American intelligence information has certainly helped Commissaire Morin find the half-dozen labs and smash two big rings of traffickers. Mr. Morin has also enforced a highly efficient round-the-clock surveillance system of both the Marseille docks and the Roquefort La Be-doule suburb where drug labs, hidden in villas, co-exist next to the homes of successful business-

men and just like Marseille. Morin, he was about 100, hidden in a villa and there. He owned a pair of pyjamas in a laboratory and searched the city until he located the man whose scratched kneecap matched the blood spot on one pyjama leg. The man arrested was heroin chemist Jo Cohen.

Sources of Wealth

Other big cases have been built from the initial question: "Where did this man get his wealth?" Men with villas and swimming pools and no obvious business, men with enormous yachts and hotels came under suspicion.

Commissaire Morin found most of the big traffickers had been divorced in order to put their fortunes into the names of their wives and children. He delved into who owned what, searched through financial documents and deeds until he could prove that families were benefiting from the proceeds of drug sales. In that way, wives were arrested, too.

"This method was never employed before," Mr. Morin said. "It's bringing results. The risk of a 20-year sentence for a man of 50 to 55 is a deterrent. Now we are seeking to ruin him and his family or hitting them with massive fines, seizing their yachts, cars and villas. When I say ruin,

Marcel Morin, Marseille narcotics chief, who is being transferred to Paris.

I mean completely ruin them. The dossiers are too big now for anyone to feel protected. No name can disappear from my files."

A tough, educated policeman with what the Americans call "street sense," some felt he was too tough. There'll be rejoicing from Ankara to New York at his going.

The commissaire leaves behind for his 80 agents a fantastic chart filled with so many small boxes that it could be an organizational plan of a major industrial company. It is something similar... the drug map of Marseille. Some of the boxes have not been filled in. That is why Mr. Morin is angry at being pulled back to Paris.



TWA. ONE AIRLINE TO AMERICA THAT WON'T JUST LEAVE YOU AT THE OTHER END.

Largest Turnover of Seats Since '33 Seen for Congress

By Richard D. Lyons

WASHINGTON (UPI)—With the congressional elections full five months off, the Senate and House are heading for the largest turnover of seats this year since the Franklin D. Roosevelt sweep of 1933.

The list of congressmen who will leave office at the end of the current session already stands at 51—eight senators and 43 representatives, including the chairmen of six committees and 11 subcommittees.

The number seems bound to rise as other legislators are defeated by constituents preoccupied with Watergate, impeachment and inflation.

The trend to youth is on. The average age of the eight senators who will leave is 70, while that of the representatives is 62. One member of Congress has already been defeated in primary elections by younger men. The seats were Sen. William Fulbright, D-Ark.; Sen. Howard M. "Boo" Baker, R-Ore.; Rep. Lawrence Williams, R-Pa.; and Rep. Frank Rostenkowski, D-Ill.

Retirement Ages

The ages of members who are retiring range from 62, that of George Aiken, R-Vt., to the 70 years of Rep. Walter Powell, Ohio, who is distinguished with a Washington.

Besides the four defeated congressmen, 34 others have already announced plans to retire and 13 representatives have said they would give up their seats to run either senator or governor.

When Rep. John Rooney, D-N.Y., announced his retirement two weeks ago, he became a 47th congressman this year give up his seat voluntarily. This is a record; the previous high was 46 in 1952 and again in 1972.

According to a senior White House official who spent several weeks in Congress, the main reasons for retirement are higher pensions for the legislators and a greater amount and complexity of their work. Sessions of Congress, for example, are much longer than they used to be, so there is less time for vacations and campaigning at home.

Pension Plan

Pensions can be substantial. Legislators are not entitled to Social Security benefits, so a special retirement plan was set up for them. Under its terms, members who enrolled and made contributions to the plan will receive from 5 percent to 30 percent of their \$42,000-a-year base pay, depending upon their age and time in office.

Thus, Rep. H.R. Gross, R-Iowa, persistent critic of federal

spending programs, will be eligible for a pension of \$27,600 a year when he leaves the House in January after serving 13 two-year terms. Pension payments became substantially more liberal in 1972.

In proportion to their membership in the House, Republicans are retiring at twice the rate of Democrats. Of the 187 House Republicans, 17 have announced that they will retire, while only 11 of the 248 Democrats have said they are leaving and not seeking other office.

Minority Party

The reasons most often cited for the higher incidence of Republican retirements are the increased chances of defeat because of the current political climate and acknowledgment of the fact that the Republican party will probably remain in the minority and thus its members will not become committee chairmen.

Seven other men who either were elected to the House or held Senate seats in 1972 are no longer in office, six through death and five by resignation. Vice-President Ford, for example, gave up his House seat when he was elevated by President Nixon and former Sen. William Saxton, R-Ohio, resigned to become attorney general.

The modern record for changes in congressional leadership was set during the Democratic landslide in 1932, when 15 senators and 185 representatives were newly elected.

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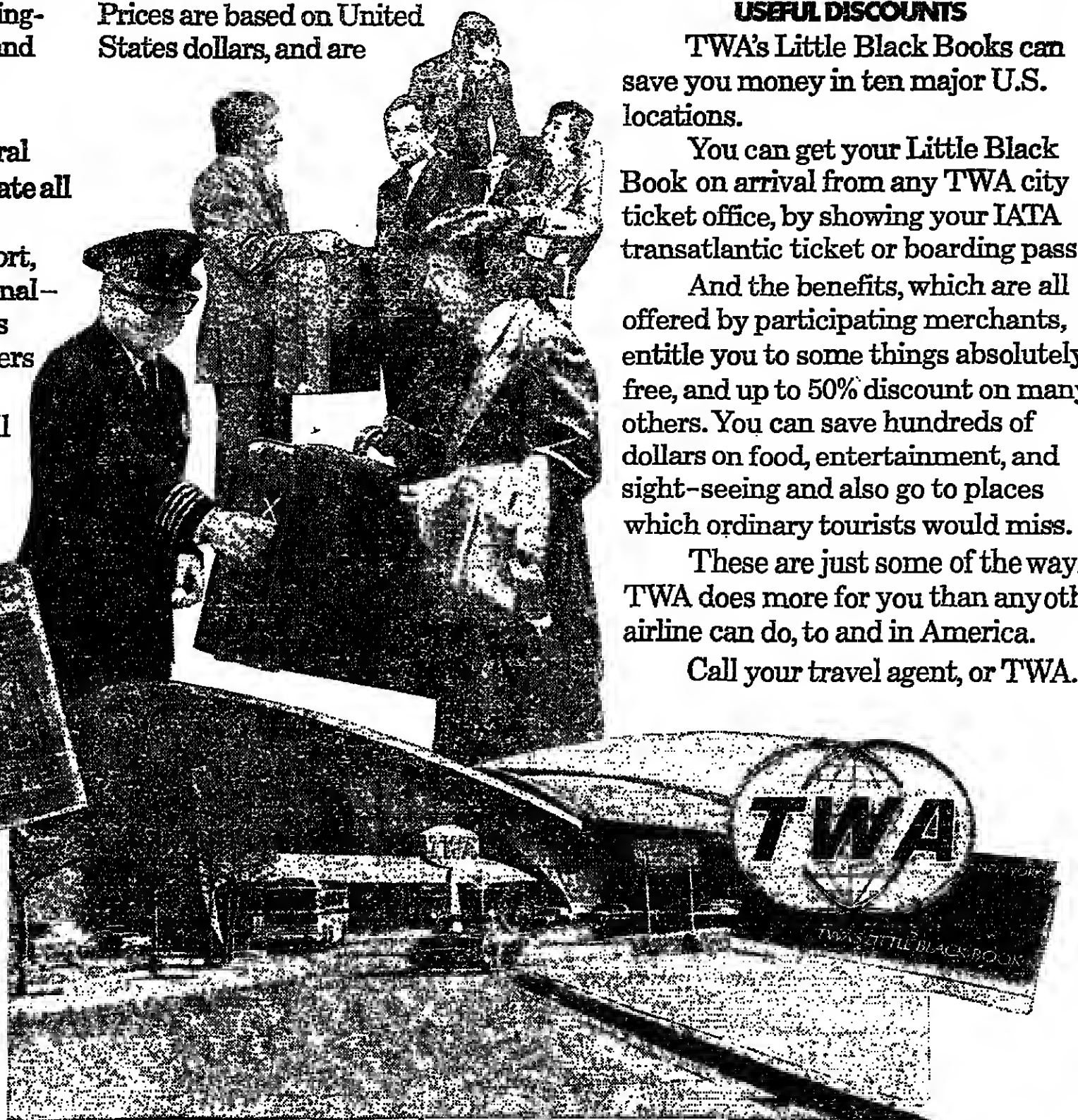
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Bond Sales on the New York Stock Exchange

Domestic Bonds

Bonds	11:00 High	Low	Last	Net
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The SSIH, third largest watch and clock manufacturer in the world

A basic principle: to stay at the peak of technical progress in the sphere of time measurement.

The watch and clock industry, be it Swiss, German, American or Japanese, presents a highly traditional, if somewhat dusty picture. Even more significant is the special case of Switzerland which presents a picture of a disoriented, cartelized industry, which, thanks to qualified craftsmanship, produces small quantities of high quality clocks and watches.

This picture once fitted the situation. To a certain degree, it still does even today. This, however, does not prevent it from being completely wrong in spite of everything.

The SSIH - or the Schweizerische Gesellschaft für Uhrenindustrie AG - (the Swiss Company for the Watchmakers' Industry) almost unknown to the general public, emerges from this historical relationship to take third place among the world's largest watch and clock manufacturers and becomes the most significant manufacturer in Europe.

What is the SSIH really?

Everyone will know this if we mention the names of the three most famous brand names of the SSIH - Omega, Tissot and Lanco: as soon as he also knows that the SSIH belongs to the greatest Roskopf watch and clock manufacturers, namely the Economic Swiss Time; and besides, when he remembers that the SSIH recently bought up all the shares of the American company, Watch, in Pennsylvania.

The SSIH-Holding was founded as early as 1930, at the height of the crisis period - at a time of radical change - that was by Omega and Tissot in Geneva. In that year the consolidated turnover reached 4 million. In 1973, it reached 649 million; the number of employees rose to 6,720 people.

Obviously these results were not achieved overnight. The clock is a complicated mechanism whose construction - just as that of the motor car - requires and demands a significant number of technologies. The SSIH wanted even then - just as it still does - to remain a large concern of craftsmen. In other words, it wanted to maintain its independence by producing the essential components of its watches itself.

This attitude was the reason why it turned to the area of electronic watch and clock production in 1967. As a result of its enormous efforts with regard to research and development, it was able within the space of a few years to adopt itself to or to control practically all new technologies either directly or by participation in specialized concerns: quartz and turning fork resonators, integrated circuits, micromotors, digital indication. The SSIH is certainly in a position to adapt itself extremely quickly to new development in the sphere of electronic watch and clock production. Of the 180 million watches and clocks sold throughout the world in 1973, only a very small percentage were fitted with batteries. With time this relationship should alter in favour of watches and clocks with batteries.

— to make Omega a brand with the best reputation.

— to create a world-wide network of licensed dealers.

— to set up a world-wide after-sales-service organization - incidentally this became the most excellent in the whole watch and clock industry.

— above all to maintain their mutual independence and their independence vis-à-vis outside organizations.

— to work out their own finance strategy.

These provisions have made Omega the best-known watch and clock brand in the world. We would like to examine the latter objective more closely.

The SSIH always tried:

1. to keep its subsidiaries 100 percent under its control where at all possible.
2. to increase its production capacity by means of share exchange.

EXAMPLES:

Omega felt the need to develop the production of counters and chronographs at a certain moment. It bought up a specialist family concern in this sector, the firm Lemania, by purchasing 100 percent of the shares. A result of this transaction (known throughout the world) is the fact that chronographs are supplied exclusively with Omega chronographs, the only watches which have been worn on the moon.

In the same way, when Omega wanted to increase its production capacity of ladies' watches, it bought up the specialist in this sector - Rayville and Marc Favre. Gradually, Tissot made itself a name in the sector of middle price category clocks and watches.

With time, it became obvious that the SSIH would also have to penetrate the cheaper watches and clocks sector. In 1965, Lanco merged with the Holding by following the same financial procedure and Aetos did the same thing in 1969, whereby certain cash transfers were made where this was necessary.

In this way, the SSIH had achieved the certified turnover of 355.4 million francs by the end of 1969 by progressively increasing its family of share-holders and increasing their capital somewhat.

This financing operation was completed by emission of bonds to the amount of 18 million Swiss francs. In September 1970, the share capital reached a nominal value of 27 million. The shares were not quoted at an official stock exchange.

In the years 1968 and 1969, the SSIH faced a series of unsolved problems:

- 1) The Swiss watch and clock industry as a whole had neglected the factor of considering foreign competition. Well, even if Omega did keep its head above the water in this period of crisis, things did look rather different among the other brands in the SSIH group. The management apparatus of the SSIH no longer kept pace with the objectives of the company. In reality, the concerns operated independently from one another and their activities were co-ordinated only by a board of directors.
- 2) The battery watch and clock came more to the fore in technology.
- 3) The Roskopf watch and clock sector developed quicker than that of the best quality watches and clocks

and the SSIH had no share in this development. The time to react had come.

Expansion is not sufficient

Rationalisation is synonymous with integration

Following a thorough study carried out by the management specialists of the firm McKinsey, the SSIH management committee came into being. The duty of this committee was to create a new management system and a concept for a continuous profit growth. In the following year, i.e. 1970, the administrative committee spoke in favour of a total integration of the various organs of the company and the management committee was to be replaced by a single general director, Dr. phil. H. ETH Peter Wahl.

Comprehensive procedural lines were worked out to solve market research problems and to increase productivity in the companies belonging to the group.

1) The Omega sales organisation was integrated with that of Tissot and the decision was made to promote Lanco on the level of a cheap anchor-type watch and then to distribute them through the same channels.

Today these brands have a network of one hundred and sixty exclusive representatives throughout the whole world. The agencies in West Germany, Argentina, Australia, Brazil, Canada, the Fiji Islands, Great Britain, Ireland, Sweden and New Zealand are fully owned subsidiaries. The SSIH controls in this way 27 percent of its outlets of its integrated brands. Finally, the SSIH bought up 17 percent and then the total shares of Hamilton Watch AG in order to achieve a greater weight in the American market for anchor-type watches of standard quality.

With respect to the production, this was distributed among the factories. As a result, each factory was allocated a function within the framework of the group. Due to this concept, it was possible to introduce new strongly automated production methods which improved not only profitability but also the quality of the products.

In conclusion, we would like to mention that the advantages which certain competitors were able to use as a result of lower Asian labour costs has been fully compensated for by intelligent construction concepts and production methods.

2) We have seen above how the SSIH, who had decided to remain a large concern of craftsmanship which always can offer products of its own conception, solved the question of development by introducing new technologies.

Three exclusivities in the electronic sector resulted from this procedure and are on the best road to commercialisation: The Omega Mega-Quartz of 2.4 MHz, whose quartz oscillates 2,359,296 times per second and which is so exact that it loses or gains only one second per month!

The Omega Mega-Quartz is 32 kHz, which is produced in larger batches but which like the former watch and clock was conceived for many travelling business people. The hour, the minute, the second can be recalled independently from one another. Finally, the

Megasonic 1720 Hz, which, thanks to the high frequency of its tuning fork is extremely reliable. In addition, the magnetic coupling of its micro motor, which is of unprecedented conception, guarantees the indicator workings with very great resistance to impacts.

We would also like to mention the development by Tissot of its Syntal watch and clock-works (system for total self lubrication), as this is a milestone in watch and clocks, that is around 10 million per year. The materials, it is made up of a very limited number of components and requires absolutely no maintenance.

3) Since 1971 the SSIH has introduced its watches and clocks to the market with economic success, by taking over the Economic Swiss Time Group which produces about 30 percent of all Swiss Roskopf watches and clocks; that is around 10 million per year. The transaction took place within two months for an unpublished price which was paid in new SSIH shares, in bonds and cash transfers.

To maintain its strong position on the world market the SSIH must continue its development.

This program, realized within three years, made the SSIH the third largest watch and clock manufacturer in the world. At the same time, this company has reached the limits of its self-financing. As a result, it has decided to turn to the capital market in order to be able to continue its development.

For this purpose, it will stock up its share capital, initially by three million, whereby it turns to present holders of its common stock. Its personnel provision fund will offer 10,000 nominal shares for the persons to subscribe.

A convertible loan of 25 million will be offered to the public between the 22nd June and the 30th June 1974 through a bank consortium. The sums needed for conversion will be totally satisfied by a bank and made available to bond owners.

The total sum involved in this operation will bring the company 54 million francs. That is, 25 million in the form of a loan and 29 million from their own sources. Of this, 14 million will be used to raise the share capital which will thus be raised to 44 million, and the remainder, 15 million, will be held as reserve, in accordance with legal requirements.

The SSIH will be able to fulfil its program in this way, i.e.:

- to develop competitive products
- to develop even more rational production methods
- to depreciate its fixed assets.
- to increase its sales.

The SSIH, as a result of having strengthened its position as the largest Swiss watch and clock manufacturer, will be one of the first companies in the Swiss watch and clock industry which has appeared on the capital market. This is a sign of the times in that this fits the logic of modern economics. When it has reached a certain stage in development, every company must go beyond the limits which distinguish a family business from a large industrial concern. Accordingly, it must well be expected that the activities of the SSIH for the way for others at some stage in the future.

(Continued on Page 12, Col. 1)

PARIS, MONDAY, JUNE 17, 1971

Page 11

Eurobonds

Eurodollar Bond Prices Increase But Demand Remains Restrained

By William Ellington

LONDON, June 16 (AP)—Eurodollar bond prices rose most of the week as Swiss investors, a few Americans engaged in hedge hunting, and particularly among those with less than ten years to maturity.

Nevertheless, a slight rise in short-term Eurodollar interest rates and genuine concern over the political, economic and monetary problems tended to restrain demand for bonds, dealers reported.

Although arrangements have been made for Italy to use gold collateral for external loans, no bankers commented that lateral is much less important in the ability of the borrower to repay its debts.

Italy's current-account deficit running at about \$1 billion a month, and the prospect of losing the outflow seems to have been a factor in the government's decision to implement the program.

A remark by West German finance Minister Hans Apel was said to have been prepared to lend a hand to the government and a social program and be in a position to implement the program.

Decline Doubtful

The outlook for short-term interest rates coming down soon has been less likely, analysts said, because of continuing high U.S. loan demand and an unlikely large increase in the money supply.

In the latest Federal Reserve statement, commercial and

industrial loans rose \$481 million at 12 major New York banks, compared with a decrease of \$309 million the week before.

In the most recent four-week period, the money supply has risen about 1.5 percent, or at an annual rate of 19.5 percent, clearly higher than authorities desire.

Joel Stern, an economist and a vice-president at Chase Manhattan Bank, commented that the U.S. prime rate may have to go as high as 14 percent before increases in the money supply are really slowed down.

Other analysts contend that consumer confidence is weakening so fast that manufacturing loan demand to finance inventories may turn down soon, leading to a sharp drop in short-term interest rates.

In any case, Eurobond investors still appear to be somewhat hesitant to gamble on a fall in interest rates, underwriters and dealers say.

Generous Discount

For example, a seven-year offering last week for Pacific Lighting Overseas Finance, NV, bearing 9.25 percent, was reduced \$5 million to \$30 million and the price fixed at a fairly generous discount of 95.5. Nevertheless, the bonds traded in the aftermarket at 97-08.

The Pacific Lighting bonds received some competition from the scheduling of an \$800 million offering of Nova Scotia Power Corp.

The bonds, which are guaranteed by the province, carry a novel maturity option which allows investors to redeem them after

Economic Indicators

WEEKLY COMPARISONS

	Latest Week	Prior Week	1970
Commodity Index	218.9	219.3	171.3
Current in circ.	\$72,845,000	\$73,345,000	\$67,734,000
Total loans	\$124,425,000	\$124,425,000	\$106,781,000
Steel prod. (tons)	2,362,000	2,361,000	2,150,000
Auto production	177,331	179,510	176,714
Daily pig (pigs)	8,998,000	8,998,000	9,301,000
Light pig (pigs)	491,767	491,767	491,767
Light pig (pigs)	36,451,000	36,451,000	37,166,000
Bus failures	168	173	236

Statistics for commercial-agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	4 April	Prior Month	1970
Employed	85,775,000	85,775,000	81,254,000
Unemployed	4,538,000	4,538,000	4,418,000
Personal income	\$118,400,000	\$118,400,000	\$111,400,000
Money supply	\$278,100,000	\$278,100,000	\$259,400,000
Consumer price index	144.9	144.9	134.7
Industrial production	\$128,425,000	\$128,425,000	\$110,577,000
Exports	\$7,734,000	\$7,734,000	\$5,491,000
Imports	\$8,141,200	\$8,141,200	\$5,555,000

*000 omitted. †Figures subject to revision by source.

Commodity Index based on 1967=100. The consumers price index based on 1967=100, and employment figures are based on the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports are compiled by the Department of Commerce. Money supply is Federal Reserve Board's M-1. Industrial production is reported by Federal Reserve Board. Business failures are reported by Dun & Bradstreet, Inc. Construction contracts are compiled by the F. W. Dodge Division, McGraw-Hill Information Systems Company.

R-Reviewed.

seven years or any year thereafter upon six months notice for a period up to 1984.

The anticipated coupon rate of 9.5 percent is about the same as available on the domestic Canadian bond market. The syndicate manager has indicated, moreover, that the bonds will be offered at a slight discount.

The issue will be the second Eurobond offering denominated

in Canadian dollars, which some bankers consider a good investment currency because of Canada's self-sufficiency in oil.

Another note issue denominated in guilders also failed to fare well in the aftermarket last week. The 50-million-guilder, five-year issue of Nederlandse Gasunie was quoted at 98-95 Friday after being offered at 99.5 bearing 9.75.

(Continued on Page 12, Col. 6)

Gloom Persists Despite Encouraging Signs

By Thomas E. Mullaney

NEW YORK, June 16 (NYT)—

On the surface, it would appear that there were some solid reasons for optimism in the business world these days. The American economy has definitely been improving since its rather disastrous first quarter. Food prices have declined in recent weeks. Major interest rates have stopped rising, and some have even dipped from their record peaks. And over the course of the last month, the stock market came to life again with a snappy 10 percent rally in terms of the market averages.

All of this should have augured better days ahead and an improved atmosphere everywhere. But that does not seem to be the majority view in the private economic community, or in Wall Street or Main Street, at the moment.

At a private meeting last week, the top officer of one of the country's industrial giants, whose sales have been booming all year, painted a rather gloomy picture of the general economic outlook, saying he feared that "the worst of the nation's economic problems still lie ahead."

He and others who have taken a similar stand are basing their pessimism on the belief that, despite the confidence of Washington, little real progress can yet be discerned in the effort to curb the horrendous upward spiral of prices.

Turn for the Better

Optimists and pessimists alike agree that the American economy has taken a turn for the better in the last three months after its 6.3 percent decline in real terms during the first quarter, although all concede that the snapback has not been sufficient

to return to normal growth patterns before the latter part of the year or early in 1972.

In addition to the improvement seen in some aspects of the price picture and the rate of inflation, there has been an upturn in industrial production for two months, the end of the severe economic slump, an ongoing boom in business capital spending and a stabilization of auto sales after their deep winter slump.

However, these have been offset by the drop in real personal income, the sluggishness of housing activity and the lack of sparkle in total consumer spending. The big rise in 15.6 percent annual rate

reported Thursday in wholesale prices for the month of May, as a result of a huge spurt in industrial prices, was another highly disturbing factor, although such a bubble was expected and might not be repeated.

One of the more sobering citizens' economic commentary continues to be the economic department of the First National City Bank of New York. It has been pointing for some time to the real decline in consumer incomes and deterioration of the public's financial assets as well as the weakening nature of consumer and business demand in the whole economy.

The bank has also taken a rather jaundiced look at the apparent robustness of corporate profits in the first quarter of this year, when after-tax earnings for about 1,500 leading corporations showed a jump of 16 percent from the 1970 period. Inflation made the difference, the bank said.

"For industry generally," the bank said, "the rise in first-quarter earnings was primarily the result of a sharp boost in the dollar volume of sales, which in turn resulted more from higher prices than from increased physical volume of production."

Manufacturing companies, it was noted, had an overall 23 percent rise in sales, which should have produced an even greater rise in profits, but net income advanced only two-thirds as much as sales. And the average after-tax profit margins on sales actually declined to 5.6 percent from 8 percent a year earlier.

Dramatic gains from inventory revaluations and other changes stemming from the accelerating level of inflation, which especially bolstered first-quarter profits, are not likely to recur and might even be replaced by dramatic losses if the price bubble bursts, the bank warns. And it added: "The word for profit watchers in this inflationary recession is caution."

As the year moves along, businessmen are going to find it increasingly difficult to pass price increases on to the next guy in line," Leif Olsen, chief economist for Citicorp, observed the other day.

Some businessmen have recently reported price increases in certain lines, especially in the second-hand markets, as well as greater availability of one-shot materials. In that light, one

(Continued on Page 12, Col. 7)

Over-Counter Market

NEW YORK (AP)—Weekly over

the counter market shows the high low bid and ask prices for the week's last day. All quotations are for the week's last day. All quotations are for the week's last day. All quotations are for the week's last day.

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FCE Quotations									
	June 17, 1974	June 14, 1974	June 13, 1974	June 12, 1974	June 11, 1974	June 10, 1974	June 9, 1974	June 8, 1974	June 7, 1974
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
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1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

Bond Sales on the New York Stock Exchange

Sales in \$1,000 High Low Last Chg						Sales in \$1,000 High Low Last Chg						Sales in \$1,000 High Low Last Chg						Sales in \$1,000 High Low Last Chg					
Bonds						Bonds						Bonds						Bonds					
(Continued from Page 10)																							
SCM Co 4 1/2-98	7	7 1/2	94	94	+1/2	ServP 13.25-92	5	6 1/2	6 1/2	6 1/2		Trans CV4572	10	58 1/2	58 1/2	58 1/2							
SCM Co 5-20-98	5	5	95	95	-1/2	Shred 01-20-98	10	99	99	99	+1/2	TWA 11-98	102	99	99	99							
SCM Co 5-20-98	5	5	95	95	-1/2	Shred 01-20-98	10	99	99	99	+1/2	TWA 11-98	102	99	99	99							
Seagr 7-15-78	3	5	95	95	0	Shred 01-20-98	10	99	99	99	+1/2	TWA 11-98	102	99	99	99							
Seagr 7-15-78	3	5	95	95	0	Shred 01-20-98	10	99	99	99	+1/2	TWA 11-98	102	99	99	99							
Seagr 7-15-78	3	5	95	95	0	Shred 01-20-98	10	99	99	99	+1/2	TWA 11-98	102	99	99	99							
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Treasury Bills

June	21	at Washington, D.C.	8:58	7:58
June	27	at Washington, D.C.	8:58	7:58
July	4	at Washington, D.C.	8:51	7:51
July	5	at Washington, D.C.	8:51	7:51
July	11	at Washington, D.C.	8:57	7:57
July	18	at Washington, D.C.	8:57	7:57
July	25	at Washington, D.C.	8:40	7:40
July	29	at Washington, D.C.	8:57	7:57
Aug.	1	at Washington, D.C.	8:57	7:57
Aug.	13	at Washington, D.C.	8:51	7:51
Aug.	21	at Washington, D.C.	8:49	7:49
Aug.	29	at Washington, D.C.	8:40	7:40
Sept.	5	at Washington, D.C.	8:36	7:36
Sept.	12	at Washington, D.C.	8:51	7:51
Sept.	19	at Washington, D.C.	8:41	7:41

Gloom Persists in Industry Despite Signs of U.S. Upturn

(Continued from Page 11)

Wonders how the auto companies, for instance, will be able to sustain the precipitous rise in their prices—more than \$500 on an average car in the current model year—in the face of slow sales.

Another worry is the effect high inflation will have on the number of major labor agreements still to be negotiated this year, in the coal, communications, railroad, nonferrous metals and aerospace industries. Wage increases began to accelerate in May and may well reach an average of 11 percent or so in the second half of the year.

Intensive Pressure

The pressure for big settlements is intensive as inflation persists, while the resistance of management is stiffening for the same reason and because productivity has declined and because economic prospects are so murky. Strikes have been increasing significantly and may be a greater factor later on.

Although he feels the American economy is in "fairly good shape," Mr. Olsen said he believed the nation would continue to suffer from the effects of a high rate of inflation for the next six months, particularly in general merchandise and apparel, while prices of foods and some durables will be "less worse than they have been the last two years."

The results of tight fiscal and monetary policy to curb inflation will be painful in the next 12 months—"no question about it," Mr. Olsen said.

He said that, in spite of the fact that the economy is not going anywhere, saying that "the basket of the real economy is being cut off from the balloon of inflation and is lying on the ground helpless."

Iraq Ends Talk On Foreign Bid

BEIRUT, June 16 (UPI)—Iraq has ended an exploration bid for oil and gas in the north of the country, the Economic Survey said today.

The survey, which specifies oil and gas, described the bid as "an abrupt and dramatic turnabout." It said it was a virtual reversal of Iraq's "door policy" announced in 1973.

It said 38 companies, including Mobil and Shell, which had submitted bids for exploration in Iraq, were informed last of a government decision to off talk.

International Bonds

(A weekly list of non-dollar denominated issues.)

Units of Account	DM Basis
1000	1000
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1000	1000
1000	1000

European Currency Unit

For trading in DM.

French Francs

For trading in DM.

Guilts

For trading in DM.

Insurance Stocks

For trading in DM.

Standard & Poor's International Fund S.A.

Registered office: Luxembourg, 14 Rue Aldringen, R.C. Luxembourg B 8.664.

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- 7) Instruction to the liquidators for deposit of any monies which cannot be distributed prior to the closing of the liquidation with Banque Générale de Luxembourg.

Subject to the foregoing resolutions being approved at the final liquidation meeting, shareholders will be paid the final liquidation proceeds of U.S. \$160.71 per share by Banque Générale de Luxembourg, on July 15th, 1974, by check addressed to the registered shareholders of their address entered in the register of shareholders and to the bearer shareholders against remittance of the relative bearer share certificates, at the address indicated by the remitting shareholder.

The Liquidators.

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Arab Bank (Overseas) Ltd
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Bankinvest, Bank for Investment and Credit Ltd.
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BANQUE NATIONALE DE PARIS IN 1973

Mr. Pierre Ledoux, Chairman of the Board of Directors, stated in his report to the College representing shareholders and exercising the powers of a General Meeting, that "The Banque Nationale de Paris made every effort in 1973 to maintain its position as a bank of commerce and to develop all sectors in which it had freedom of action."

This policy took the form of efforts in adopting the Bank's structure and a search for solutions to new problems concerning both private and corporate customers.

STRUCTURAL ADAPTATION

During the 1973 fiscal year, the BNP opened no new branches, preferring instead to concentrate all its efforts on the quality of service and competence of its personnel in existing offices. Further, it set up powerful computer equipment to deal with the increasing volume of records and proceeded with installation of the automatic cash distributor system.

The creation of new management in provincial branches will place each network within a more limited and homogeneous geographical framework, in order to provide a decentralized organization which will maintain a coherent application of general policies while also permitting adaptation to local needs.

SOLUTIONS TO NEW PROBLEMS

The BNP has been anxious to offer its customers savings formulae adapted to current circumstances. The BNP's "Plan Avenir," an investment plan in SICAV, was successfully inaugurated during the last quarter of 1973. The BNP's four SICAV have continued to grow; their distributable profits during 1973 were in excess of 278 million francs.

The BNP also took an active part in developing financial mechanisms for large investments (nuclear energy, large petroleum or methane tanks). The Bank participated extensively in international bank credits, notably in Eurodollar credits, and contributed to the creation of Euro for the purpose of reducing the effects of monetary fluctuations. The Bank also participated in implementing a European credit formula, "Tele-credit", to facilitate rapid extension of credit to EEC countries.

FINANCIAL STATEMENT TOTAL DOUBLED IN TWO YEARS

The continued development of BNP activities has entailed a new increase in the financial statement total from 76.4 billion francs in 1971 to 101.7 billion in 1972 and 135.7 billion in 1973.

Credits granted to clients have gone from 64.5 billion to 72.5 billion francs in 1973; their growth has remained slightly under the legal limit. Clients' deposits grew by 12.4% in 1973 (65.9 billion as opposed to 58.6 billion in 1972). Among these, interest-bearing deposits are of increasing importance.

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Telephone: 353-1510
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40 Wall Street, New York, N.Y.
Telex: 13345
Cable: EMPIRENY

Member FDIC

USIF. REAL ESTATE

Listed on the
Luxembourg Stock Exchange
Quoted June 14, 1974
Luxembourg, France 67 (U.S. \$1.69)

Foreign Bonds

Antion 3 1/2
Austrian 3 1/2
Belgian 3 1/2
Brazilian 3 1/2
Canadian 3 1/2
Dutch 3 1/2
French 3 1/2
German 3 1/2
Italian 3 1/2
Japanese 3 1/2
Mexican 3 1/2
Portuguese 3 1/2
Spanish 3 1/2
Swiss 3 1/2
U.S. 3 1/2

Bank Stock Quotations

(Closing price of the week's trading.)

BankAmerica	34 1/2
Bank of America	34 1/2
Bank of Montreal	34 1/2
Bank of New York	34 1/2
Bank of Tokyo	34 1/2
Bank of Victoria	34 1/2
Bank of Western Australia	34 1/2
Bank of Western Canada	34 1/2
Bank of Western Europe	34 1/2
Bank of Western India	34 1/2
Bank of Western Japan	34 1/2

Bank of America

Market sources indicated that for the moment neither Nippon Yusen Kaisha nor Asahi Chemical are likely to float Eurobond issues until market conditions improve.

However, there were reports that Hong Kong Land was planning a warrants offering of \$15 million and a note issue for New Zealand remains on the horizon.

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New Issues

All the securities having been sold, this advertisement appears as a matter of record only.

SEAS

SYDOSTSJAELLANDS ELEKTRICITETS AKTIESELSKAB

(South-Eastern Seeland Electric Supply Company) Ltd., Denmark, with the unconditional guarantee of the Den Danske Landmønsbank Aktieselskab, Copenhagen.

Swiss Francs 2,000,000

90% Swiss Franc Bonds of 1974 due 1989

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Aug. 1974

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By Will Weng

PEANUTS

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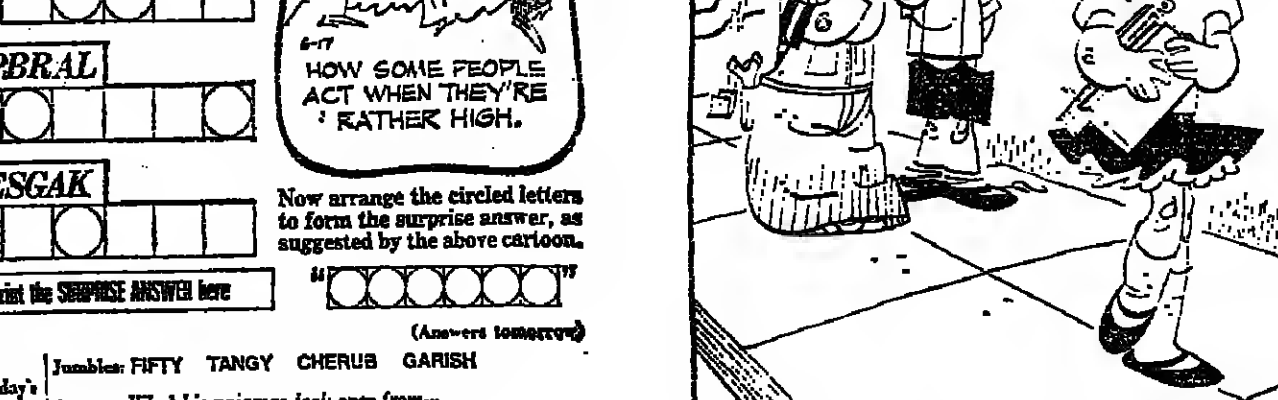
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Reviewed by Calvin Bedient

Solution to Friday's Puzzle

STAINS	ARISE	ATTIRE
QUALITY	DOWN	TIME
BLUDDERING	TO	HIT
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BRABBLE	SLOWLY	
ALZING	AND	
SOUND	COLLARS	BLAU
SEE	POLLAR	INQUIRE
SLOWED	AND	AMVIENT
RAIDERS	ALTY	
RAIDERS	ALTY	BLAU

—By Robert Byrne

3	P-K3	B-N2	17	Q-P5	P-P4	31	P-P4	P-P4
4	R-N2	O-Q4	18	O-O	N-B4	32	R-R4	P-B4
5	P-R3	O-O	19	O-O	N-B4	33	N-B4	R-N2
6	O-O	P-P4	20	P-QR3	N-R5	34	P-R4	K-N2
7	N-R3	N-B3	21	B-R1	P-QN4	35	P-N4	B-K2
8	NxP	B-K3	22	N-K3	R-N3	36	PxP	P-P4
9	P-R3	P-QR4	23	P-B4	K-N3	37	R-R5	R-N5
10	B-N2	P-QR4	24	K-Q1	R-R1	38	K-N3	R-P4
11	R-Bt	P-R5	25	R-Q3	B-A1	39	R-R1	R-K5
12	PxP	R-R3	26	B-B6	P-P4	40	RxRch	R-K5
13	K-B5	N-N2	27	P-P4	R-R4			
14	KxB	NxN	28	RxN	R-R4			

THE RIGHT SHIFT

"IF SHE'S GONNA BE A SCHOOL TEACHER, I FEEL SORRY FOR A LOTTA KIDS THAT AREN'T BORN YET."

White	Black	White	Black
1 P-Q4	K-K3	15 P-R5	N-Q2
2 P-QB4	P-K3	16 P-R5	N-B4
3 P-K3	P-Q4	17 P-K3	P-Q4
4 B-N2	P-K3	18 P-Q5	P-N4
5 N-KB3	0-0	19 Q-Q7	R-Q5
6 0-0	P-P	20 P-QR3	K-R5
7 K-R3	N-B1	21 P-Q4	P-QN4
8 N-P	B-Q4	22 N-K3	B-R3
9 P-N3	B-K3	23 P-B4	N-B3
10 P-N2	P-Q4	24 P-Q1	N-B1
11 R-B1	P-R3	25 R-Q3	P-B1
12 P-P	R-R3	26 R-B6	P-N5
13 K-N5	B-N	27 B-Q4	P-P
14 K-B3	R-R3	28 R-Q4	K-R4

هكذا صحت القتل

Borg, Evert Are French Open Champions

By Fred Tupper

PARIS, June 16 (UPI)—Youth dominated the French Open tennis championships today, with American Chris Evert, 19, becoming the youngest to win the women's singles since Christine Truman in 1959, and Sweden's Björn Borg, 18, becoming the youngest to win the men's title since Ken Rosewall in 1953.

In one of the great turnarounds in tennis history, Borg came from two sets down to defeat Manuel Orantes of Spain, 2-6, 6-7, 6-0, 6-1, 6-1.

Evert's performance, too, was of star quality. She defeated Olga Morozova of Russia, 6-1, 6-2, in just over an hour to rank with Helen Wills, Suzanne Lenglen and Ann Hayden as the most decisive winners in the history of this championship.

For Evert, it was doubly sweet. In the French Open final last year, she lost Margaret Court by a set and 5-3, and lost.

"I needed to win this one," she said. "It's the biggest clay court tournament in the world. And it's a tough one to win. The clay is very slow. You need endurance, more than on any other surface."

Evert and Morozova yesterday had paired to win the doubles. Today, they were matched for the final—Morozova, with a serve-and-volley game that is more American than Evert's; Evert, who defies most of the tennis canons and creates her own.

Closer Than It Looks

It took Evert a time to establish her pattern and the games were much closer than the score indicated. Evert waited the ball from side to side, up and down, high and low until Morozova became frustrated. The Russian couldn't win those duels and so she tried to break the pace. She chopped and rushed to the net, suicide against the streaming passes hit off Evert's flanks. She attempted drop shots, inevitably they boomeranged. And so the games came, slowly at first, and then more easily as Evert improved her quality. She is more severe than a year ago; she has more authority overhead and actually seems to enjoy coming up to the net she detested in her earlier days.

At 6-4, Morozova abandoned the baseline and began coming up on every service, including the second. She hit a couple of crisp volleys and took that game with a volley off the wood. Six games later, she won another on a netcord and an Evert double fault. She was 2-5 then on a smash, but then Evert had two match points, rocketing a fore-

hand across court that scratched off the Russian's racket for 6-1, 6-2.

She was on court again to take a silver cup and check for 24,000 francs (\$3,000), which brings her season's winnings to the \$110,000 area. More important, perhaps,

she is winning title. She is champion of South Africa, Italy three weeks ago and now France. "I'm happy to win my first big title," she said to the 10,000 persons in the stadium. "And I hope to be back next year."

There was consolation for Mo-

rozova. She is the first Russian woman to reach a major final.

The men's match fluctuated wildly. Orantes broke the Swede's service in the first game and that brought confidence. A perpetual runner-up after winning the Italian in 1972, Orantes needs to

nourish himself with a lead. Particularly sharp off his low spinning backhand, he raced through the first set in 32 minutes and was quickly at 4-1 in the second.

Borg had offered little defense. He may have played too much tennis lately. This week, he has had two tring five-sets and appeared mentally strained and physically shaky before his comeback against Harold Solomon yesterday. The Swede unbelted his broadsword then and Orantes went off the ball. Borg took four games running to be at 5-4 with three set points. He lost them all and the tiebreaker, too, and was two sets down.

But he kept plugging. A finalist at Dallas, a winner at Rome, and worth—it is reported—\$650,000 for a WTT three-year contract, which he turned down to play in the Davis Cup, Borg has been the hit of tennis during the past year.

He had the third set at love. Completely revived, he took the fourth set at 6-1 with ace in nearly every game, and the fifth set at 6-1, with Orantes broken.

Like Evert, Borg has won the slugs over three weeks: worth \$16,000 at Rome and \$24,000 today. But it took him 393 games of singles to do it.

"I felt very tired before the match," Borg said later. "And I still don't believe it. But my condition is good. I'm mentally tough."

"Can you win Wimbledon?"

"Why not?" he said.

Queen's Filly Triumphs in Prix de Diane

CHANTILLY, France, June 16 (Reuters)—Queen Elizabeth watched her horse Highclere win when she ran clean away with France's top race for 3-year-old fillies, the Prix de Diane, today.

Highclere was taken to the front two furlongs out by jockey Joe Mercer and passed the French favorite Contesse de Loir to win easily by two lengths.

The crowd cheered wildly as Queen Elizabeth, who arrived for the race, went down to the unsaddling enclosure to congratulate Mercer and trainer Bill Hero.

Hern, jubilant after the filly's victory, said: "This is the greatest thrill in my racing career since Highclere won the 1,000-Guineas at Newmarket earlier this season."

Odisea was third, half a length behind Contesse de Loir, in the field of 22 which ran in the 10-1 2-furlong race.

Highclere's victory earned a purse of 1,029,050 francs for Queen Elizabeth. The filly paid odds of just 9 to 2 on the pari-mutuel—\$70 francs for a one-franc bet.



Chris Evert in action against Morozova.



Björn Borg shows form that gave him title.

Schedule and Sidelights of Soccer Finals

PARIS, June 16 (UPI)—On Tuesday, West Germany will play Australia at Hamburg; East Germany will play Chile at Berlin. Both Group One.

Brazil, meanwhile, will play Scotland at Frankfurt and Yugoslavia will meet Zaire at Gelsenkirchen. Both Group Two.

The World Soccer Federation announced that sentence will be passed tomorrow on Uruguay's Julio Montero Castillo, who was sent off the field in yesterday's 0-2 defeat against Holland.

Montero Castillo is almost certain to be suspended for one

game. That was the sentence given Carlos Caszely of Chile, who was sent off in the game against West Germany Friday.

Here is how the points stand-

ings look, group by group: Group One—East Germany and West Germany 2; Chile and Australia 0.

Group Two—Scotland 2, Brazil

and Yugoslavia 1, Zaire 0.

Group Three—Holland 2, Bul-

garia and Sweden 1, Uruguay 0.

Group Four—Italy and Poland,

2, Argentina and Haiti 0.

After round-robin tournaments,

the two top teams in each group

will advance to the second round.

Italian team manager Ferruccio Valcareggi said he felt his team's 3-1 comeback victory over Haiti strengthened Italy's role in the tournament.

"Our reaction to Haiti's goal was exceptional. The players were cool, determined, they fought with all their energies and in a few minutes they turned the tables on the Haitians," Valcareggi said.

"Only a team with great in-

ternational experience and great

determination can do a thing like

that. This has increased our play-

ers' confidence."

Italy's Gianni Rivera (right) kicks a goal past Haiti defender Guy François and Haiti goalkeeper Henri Francillon.

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Henri Pescarolo (left) and Gerard Larrousse after they won 24 Hours of Le Mans.

Pescarolo First Again at Le Mans

By Bernard Kirsch

LE MANS, France, June 16 (UPI)—Henri Pescarolo, who was seen standing on the course watching his head early this morning, figuring out what his problem was and went on to win his third straight 24 Hours of Le Mans in a Lancia-Simca.

The 24-hour endurance test, which started yesterday afternoon, left many of the drivers and mechanics puzzled. When it ended, only 20 of the 48 starting cars were still operating—one of them with only two gears left and another being driven by a team of three women.

But Pescarolo, who was almost killed on this race five years ago, has learned what Le Mans is all about.

After suffering severe burns in an accident in practice here in 1969, Pescarolo won in 1972 and 1973 in the French Matras. Two years ago, his winning co-pilot was Englishman Graham Hill. Then the sponsors of the race—the French government and a cigarette company—wanted to make the carnival of Le Mans a national triumph and assigned only French drivers to its machines. Thus, for the second straight year, Pescarolo's help was driver Gerard Larrousse.

There was nobody around, however, to aid Pescarolo when he heard the wrong noises in his car on the course, about 4 miles from his crew. The Frenchman, who had already hit a lead of almost 50 miles at the time, stopped, stepped out of the car, lifted the hood, then came the head-scratching—and found at the fourth and fifth gears had jammed. He nursed the car to his pit crew, the trouble was repaired and Pescarolo and Larrousse were 10-to-wire winners, almost 48 miles ahead of a Porsche Carrera, which finished second, and a second Matra, third.

Others Out
Another Matra went out with engine trouble at a fourth, still for this race, only made halfway out of the pits after a refueling stop last night. The Matra, in second place and being driven by Jean-Pierre Jarier at the time, was leaving the pits at the same time an official was allowing a Porsche Carrera to make its way back to the track. The cars collided and the Frenchman was able to get a full night's sleep.

Herbert Müller, a Swiss driver, also thought his day would be shortened as the Porsche Carrera, he was driving with Guy van Lennep of the Netherlands lost three gears with three hours to go. But Müller—making his 11th appearance here—and Van Lennep know Le Mans and the car was handled delicately until their 24 hours of driving was over. They had traveled 2,811 miles at an average speed of almost 117 miles an hour.

Pescarolo became the first driver since 1962 to win here three consecutive times. He and Larrousse covered 2,856 miles on the 8.4 mile course at 119 mph.

The women of Le Mans, of whom there were more than ever this year, also fared pretty well. The three Belgians—Yves Fontaine, Christine Beckers and Marie Laurent—finished 17th in their Chevron B23. Marie-Claude Beaumont, in her third year here, shared her Chevy Corvette with a male. Their car finished 18th. Anne Charlotte Verney of France helped a male to come home 18th in a Porsche Carrera.

The last two finishers here were a team of Japanese drivers, in a Sigma, and an American Swiss team. But though the Sigma was still running at the end it had not covered enough distance to receive a placing. It was 1,500 miles behind the winner.

The Porsche-Carrera of Milt Minther, Michael Keyser and Paul Blancpain finished 20th, held back by the breakage of a \$250 plastic seal on the transmission.

The Ferrari 365 of Cyrille Grandet and Dominique Bardini won the Grand Touring class.

TOP FINISHERS

1. Matra-Simca, Henri Pescarolo/Gerard Larrousse, France; covered 2,856.571 kms (2,366.07 miles); average speed of 119.84 kph (118.98 mph); 337 laps.
2. Porsche Carrera, Guy van Lennep, Holland/Henri Müller, Switzerland, 331 laps.
3. Matra, François Migault/Jean-Pierre Jabouille, France, 334.
4. Ginetta, Derek Bell/Mike Hallwood, Britain, 317.
5. Ferrari 365, David Heinz, United States/Alan Cudde, France, 312.
6. Porsche Carrera, Bernard Chenevier/Pierre Zbinden, Switzerland, 312.
7. Lancia, Jacques Laffite/Alain Serpagy, France, 310.
8. Ferrari 312, Jean-Claude Andruet, France/Theodore Schick, Italy, 298.
9. Porsche Carrera, Raymond Touroul/Denis Rux/Henri Ceclia, France, 388.

Dutch, Poles Win World Cup Matches

Holland Tops Uruguay, 2-0

HANNOVER, June 16 (UPI)—and teased and tormented Uruguay team reduced to 10 and scored an impressive victory yesterday in a thrilling World Cup soccer championship match at Niedersachsen Stadium.

Uruguay had two men booked as Julio Montero Castillo became the second player in the tournament to be sent off. He had with Hungarian referee Palotai in the 62nd minute.

Carlos Caszely was sent off the game against West Germany Friday.

A victory put Holland into a lead in Group Three, ahead of Sweden and Bulgaria, who had a goal-less draw.

was a menacing performance by Dutch, whose goals came Johnny Rep in the seventh 16th minutes.

In the interval between the goals, and managed to miss a handful of chances, hammered a shot at a post and superstar Cruyff had the ball in the net only to be nullified for a foul kicking.

30,000 Dutchmen among 3,000 capacity crowd roared approval as Uruguay was easily outplayed.

Dutch sliced through the playing Uruguayan defense at waves. Goalkeeper Laszlo Mészáros must have been his defense had deserted Cruyff and striker Johan van der Meer maintained a constant

pressure. se two, combined with the by Rep brought out the in Mészáros, while at the end Jan Jongbloed did a genuine shot to save.

ro Rocha, a veteran of three Cup finals, tried to install order into the Uruguayans, he only time the South

team got together as a team when they went off to the

ing room at halftime.

took both chances well, using himself powerfully to home a goal from inside the

by box following a center the right, and the side-

past the advancing Ma-

wicz for the second.

re was an air of despera-

about some of the Uruguayan

ing and Juan Masnik and

Cubilla both went into the

s book.



Holland's Wim Suurbier (No. 21) blocks Uruguayan Pedro Rocha's attempt at a header during match in Hannover.

Poland Edges Argentina, 3-2

STUTTGART, June 16 (UPI)—Poland staved off a strong finish by Argentina yesterday to salvage a 3-2 victory in a thrilling World Cup soccer clash at Neckar Stadium.

Poland's victory gave it a tie in Group Four with Italy, which defeated Haiti, 3-1.

Poland, a surprise qualifier over 1966-champion England, showed itself worthy of a place in the finals with a fast-attacking style of play which brought two goals in the first eight minutes—by Gregorz Lato and Andrzej Szarmach.

But Argentina refused to collapse and, instead, provided an exciting second half in which three goals were scored in six minutes.

Ramon Heredia breathed life into Argentina with a 60th minute goal and, although Lato made it 3-1 two minutes later, Alberto Babinington resurrected Argentine hopes by scoring in the 67th minute.

Desperate Bid

The Poles caught

Observer

This Is Burlesque

By Russell Baker

NEW YORK—Most people who have given up reading the news from Washington, which is to say most of the last sane people left in the country, are probably baffled by Henry Kissinger's sudden entry into the general farce down there.

It is like seeing Othello wander into the second act of "R&I," strip down to his jeans and start ruminating the scenery.

To savor the full essence of the thing, you have to understand that Kissinger is angry because he has been accused of lying in a small way. It is the diplomat's job, of course, to lie in a big way. A diplomat, goes the ancient wheeze, is a man prepared to lie for his country, and most of us probably assumed that Kissinger was as prepared as the next diplomat to do his duty.

But now, lo and behold, Kissinger is not content with merely being recognized as a genius; he wants to be proclaimed a man of absolute veracity and threats to do no more service for the state unless Congress declares him an honest man.

It is hard to tell what has happened to Kissinger's celebrated judgment. Being declared an honest man by Congress would strike most of us as a social embarrassment akin to being chosen man of the year by the Mafia.

That Kissinger is now demanding that this iron laurel be pressed upon his brow testifies to the derangement which is epidemic along the Potomac. Any man would surely rather be known as a small-bore liar than pronounced honest by Congress.

Congress, ever ready for public burlesque, jumped at the secretary's demand with its usual zest for the ridiculous. A resolute Kissinger, Kissinger a patriot "whose integrity and veracity are above reproach" was endorsed by 39 senators between dawn and dusk in a single day without, so far as can be determined, anyone's bothering to observe that too much veracity might be a serious flaw in a diplomat.

The question is whether he "initiated" wiretaps that were placed on telephones of friends, colleagues and reporters. Kis-

singer told the Foreign Relations Committee that he did not "initiate" the taps. They were "initiated" by others, he said, and he merely supplied names of men who might fruitfully be listened on, after the higher decision was made.

Kissinger's trouble arises because the newspapers published a "leaked" FBI paper stating that "original requests" for the taps "were from Dr. Henry Kissinger or Gen. Alexander Haig," who was then Kissinger's deputy. Publication of the "leaked" FBI paper produced the final twist of the comedy by giving the government's people another chance to repeat their well-rehearsed "Shame on the Leakers!" act.

The aim of the splendid old routine is to change the subject so that everybody will stop thinking about the main plotline and start worrying about the evils of journalism.

It works like this: The papers publish a "leaked" document showing the government has been playing dirty pool. The government men ignore the revelation. Instead, they denounce the papers for publishing material which the government didn't want the public to see. This is accompanied by statements that the published material will damage the national security, destroy the judicial system and otherwise accelerate rot in the moral fabric.

The argument assumes that whatever the deviousness or lying or criminality may be that has come to light, the greater evil is having it appear in the newspapers. And so, when the "leaked" FBI paper made things awkward for Kissinger, the government people replied by crying "Shame on the Leakers!"

If this practice were common in nongovernment life, a man could wonder his wife, truck the body in the back lawn and count on the police to put all their energy into pressing trespassing charges against any busybody who reported a grave-sized mound behind the petunia patch.

In the Kissinger business, Sen. Goldwater characteristically smelled "treason" in the newspapers and was joined by less colorful talkers in deploring the idea of a well-informed citizenry.

In real life somebody would suggest taking a look at this unfortunately published evidence, but this is not going on in real life. It is going on in Washington, which is a comic book.

"Even if we wanted to really exploit this thing—which we don't—and do nothing but turn a big profit by selling Thomas Jefferson ashtrays, I still wouldn't know which way to begin to get federal approval."

Confusing Plans for U.S. Bicentennial

By James T. Wooten

CHICAGO (NTT)—Shortly before his speech to some business representatives here last week, the man who runs the federal government's bicentennial program got lost in the Conrad Hilton Hotel.

"Where's the room?" John Warner, a former secretary of the Navy, muttered as he tried to navigate the labyrinthine old hotel. "Will somebody please tell me just where the hell I'm going?"

An expression of personal frustration, it was also an unintentional sounding of what became the theme of the meeting he had come to address—a "Bicentennial Call-to-Action conference," a privately sponsored gathering of corporate executives looking for ways to capitalize on and participate in the celebration of the nation's 200th anniversary.

When it ended after two and a half days of speeches, films, slide presentations and lectures, many of the more than 300 marketing, merchandising and advertising specialists seemed as uncertain of their directions as Mr. Warner had been before the opening session.

"I don't think anybody knows just where the hell we're going on this thing," Philip Anderson of the General Electric Co. said—and others echoed his appraisal.

\$195 to Attend

The conference was sponsored by Crane Communications, Inc., a Chicago company that charged each participant \$195 to

attend—travel and accommodations not included.

For that price they were given Mr. Warner, the head of the American Revolution Bicentennial Administration, and a parade of state and local officials, civic and ethnic and minority group representatives and a few private entrepreneurs, all involved in bicentennial projects and all eager to find corporate sponsors. They also got Jeremy Rifkin, a young man who runs the People's Bicentennial Commission, an organization devoted to countering the government's commemorative programs. He accused the conferees of working for traitors—the American corporations they represented—and recommended their dissolution.

"That didn't bother me so much," said Thomas Snellson, a public affairs executive for Alcan Aluminum Co., "but what did was the general impression that just about anything we, the private sector, do is going to be vulnerable to criticism."

Public Domain

His concern, and that of many others at the conference, was that privately sponsored projects or manufactured items, packaged or presented or sold over the counter, would come under fire as a corporate effort to exploit patriotism.

There were others at the conference who were greatly interested in Mr. Warner's discussion of federal licensing of bicentennial merchandise—and the granting of the right to use the official government bicentennial seal.

Brazil Defends Its Right to a Growing Population

RIO DE JANEIRO (NTT)—

Brazilians are deeply divided over population policy, but the prevailing view appears to be that there is power in numbers.

While most countries are sending delegations to the World Population Conference in Bucharest in August to discuss ways to control the population explosion, Brazil plans to defend the right to grow.

Brazil has an area as large as the territorial United States, with a fast-growing population of 164 million, a high rate of economic growth and serious aims to become a world power.

According to recent studies by Brazil's National Security Council, only India, Canada and Brazil have the geographic conditions and economic potential to be-

come new world powers. At the present rate of growth, Brazil is expected to reach big-power status in 20 years, with a gross national product of more than \$180 billion and a population of more than 200 million.

The Brazilian government, which drafted its position several months ago for the population conference, wants to limit Brazil's population increase and to oppose any general plan for population control that does not take into account regional differences, according to sources close to the government.

The Brazilian position is backed by a threefold argument that can be considered a credo of the military system that has ruled Brazil for the last decade.

The first point is that there is a need to occupy the vast, sparsely inhabited regions of the north and west, to insure national sovereignty.

Then there is said to be a need to create a large, strong internal market to develop national trade and industry. Finally, Brazilians say, there is a need to meet the minimum population requirement to become a world power.

There have been influential voices here raised in favor of population control, but they are in the minority. Finance Minister Simoes, former Finance Minister Roberto Campos and a former head of the National Bank, all have been vocal in their support of the government's position.

The only organization dealing with birth control in Brazil, set up in 1965 by a group of Brazilian gynecologists as an affiliate of the London-based International Federation of Family Planning.

"We were tired of seeing women die from abortion complications just because they wanted to limit the number of children and didn't have the means to do it," said Dr. Carlos de Faria, secretary of the organization and professor at the Federal University of Rio de Janeiro.

Benfaim runs 54 clinics around the country and gives advice to 400,000 women.

"But it's only a beginning," a social worker for the agency said, pointing out that there are about one million abortions yearly.

PEOPLE: What's in a Title Without Identification

Debby Bryant Wilson, Miss America of 1966, stopped in a Jackson, Tenn., store to buy a pair of stockings. "Aren't you Miss America of 1966?" the clerk asked. "I certainly am," she replied. She was so pleased that she picked out a half-dozen pairs of stockings. When she offered a check for the purchase, however, the clerk asked, "Do you have any positive identification with you?" Mrs. Wilson was in Jackson for a Miss Tennessee pageant.

Sveden's Princess Christina, 30, was married Saturday to Tord Magnusson, a businessman, in Stockholm. The ceremony took place in the Stockholm Palace chapel and was witnessed by 600 guests inside and millions on television. The princess, who said, "I want my wedding to be a good time for all," invited not only royal friends but the palace servants as well.

A FIRST? A streaker suspended himself in the door of a light plane circling Seattle's space needle Friday night. Don McDaniel, a host at the space needle restaurant which is 500 feet up in the air, said, "I could see various things hanging from the airplane. He had a tan. He was just waving arms and legs." The plane flew 80 yards from the needle and circled it twice. "Some people applauded," McDaniel said. Another streaker, clad in tennis shoes and a cap and carrying an over-sized plastic baseball bat, struck at the College World Series in Omaha, Neb., Saturday night. He bolted from behind home plate and ran up to the batter's box, dashed to third and second bases before being chased from the field by sheriff's deputies.

Singer Pat Boone must pay more than \$22,000 in back income taxes because a judge ruled that he could not write off losses in a band development deal, U.S. court records say. Judge William Quayle rejected Boone's argument that surrender of \$2,500 in debtors' bonds was a necessary business expense to "protect his business reputation as an entertainer and an endorser of commercial products." The conclusion is inescapable that tax savings was the primary motive, the judge said in Washington.

World chess champion Bobby Fischer has definitely dropped plans to appear at the World Chess Olympiad now under way in Nice, organizers said Saturday.

IN SECLUSION: Laura Jo Watkins, who has left the residence of U.S. Ambassador Walter

Marji Wallace leaving hos...

Annenberg, host for her in London, because of publicity her friendship with F. Charles, American officials Saturday. Sources said that thought Miss Watkins would visit short and fly back San Diego in the next few days.

SICK LIST: Former World, Marji Wallace, has discharged from a hospital Indianapolis, 11 days after nearly died from an overdose of drugs. Marji Wallace, who shipped off her life last Monday after her release Friday, she would seek a career as a actress.

Valerie Anne Giscard d'Estaing, the French president's daughter, has found a job. She is attached to the Ministry of Cultural Affairs. She said that her father was behind appointment, saying, "He gave me his approval."

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